

U.S. DEPARTMENT OF HOMELAND SECURITY

U.S. DEPARTMENT OF TRANSPORTATION

CALIFORNIA STATE LANDS COMMISSION

PUBLIC HEARING IN THE MATTER OF

CABRILLO PORT LIQUEFIED NATURAL

GAS DEEPWATER PORT LICENSE

MALIBU, CALIFORNIA

TUESDAY, APRIL 18, 2006

6:35 P.M. TO 10:16 P.M.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

Surlene Grant, Hearing Moderator
Envirocom, Communications Strategies

Mark Prescott, Chief, Deepwater Port Standard Division,
U.S. Coast Guard Headquarters

Dwight Sanders, Chief, Division of Environmental Planning
and Management, California State Lands Commission

Cheryl Karpowicz, AICP, Ecology & Environment, Inc.
International Specialists in the Environment

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

I N D E X

| | Page |
|---|------|
| PANEL COMMENTS | |
| Dwight Sanders, California State Lands Commission | 4 |
| Mark Prescott, Chief, Deepwater Port Standard Division, U.S. Coast Guard Headquarters | 7 |
| Cheryl Karpowicz, AICP, Ecology & Environment, Inc. International Specialists in the Environment | 9 |
| PUBLIC COMMENTS | |
| Andy Stern | 15 |
| Marina Watts | 17 |
| Ozzie Silna | 18 |
| Paul Kay | 19 |
| David Doepel | 21 |
| Barry Groveman | 24 |
| Barry Du Mou'r | 25 |
| Timothy Park | 27 |
| David Tubman | 30 |
| John Coehlo | 32 |
| Doug Van Leuven | 34 |
| Carol Kurtz | 37 |
| Sharon O'Rourke | 39 |
| Kelley Stark | 41 |
| Joseph Geldhof | 43 |
| Valerie Sklarevsky | 46 |
| PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345 | |

I N D E X

| | Page |
|-------------------------|------|
| PUBLIC COMMENTS (CONT.) | |
| Saunders Jones | 48 |
| Geoffrey Hunter | 50 |
| Kelly Hayes-Raitt | 52 |
| Mike Blakeslee | 54 |
| Howard Ferguson | 57 |
| Ed MacCormad | 58 |
| Susan Jordan | 59 |
| Karen Kraus | 62 |
| Amber Tysor | 64 |
| Shiva Polefka | 67 |
| Alicia Roessler | 69 |
| Linda Krop | 72 |
| Lucille Keller | 74 |
| Tom Nielsen | 77 |
| William Doyle | 80 |
| Barbara Burnett | 81 |
| Marcelo de Andrade | 83 |
| Renee Klimczak | 85 |
| Sara Abramson | 88 |
| Marilynn Santman | 91 |
| Hayden Riley | 92 |
| Tim Riley | 94 |

I N D E X

| | Page |
|-------------------------|------|
| PUBLIC COMMENTS (CONT.) | |
| Paul Shoop | 97 |
| Tom Grubbs | 99 |
| Sam Hall Kaplan | 101 |
| Barry Haldeman | 103 |
| Skylar Peak | 105 |
| Cameron Wellwood | 106 |
| Cathleen Summers | 108 |
| Larry Wan | 111 |
| John Ulloth | 113 |
| Steve Uhring | 116 |
| Ozzie Silna | 118 |
| Remy O'Neill | 120 |
| Jessica Stefan | 121 |
| Harriet Pollon | 124 |
| Dusty Peak | 126 |
| Ed Gilliespie | 128 |
| Trevor Smith | 128 |
| Nicole Herschel | 131 |
| Neal Michelis | 132 |
| Dick Guttman | 135 |
| Brian Eamer | 137 |
| Ryan Embree | 139 |

I N D E X

| | Page |
|-------------------------|------|
| PUBLIC COMMENTS (CONT.) | |
| Jefferson Wagner | 141 |
| Natalie Soloway | 142 |
| Jay Liebig | 144 |
| Steve McKeever | 146 |
| Alan Sanders | 148 |
| Kim Zanti | 151 |
| Adjournment | 154 |
| Reporter's Certificate | 155 |

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 P R O C E E D I N G S

2 MODERATOR GRANT: Come in and find a seat, we're
3 going to get started momentarily.

4 Good evening, we're going to get started now.

5 There's a contingent of people standing near the door, if
6 you all could find a seat, I'd appreciate it, so we can get
7 started.

8 Okay. Good evening, my name is Surlene Grant and
9 I have the privilege of being your facilitator, moderator
10 for this evening. My job is to keep the program flowing, to
11 keep everyone on time.

12 You need a better microphone. Can we turn this
13 up?

14 Okay, I'll use my outside voice and, hopefully,
15 you can hear me until we can work this microphone thing out.

16 As I said, I've been asked to serve as your
17 moderator for this evening, to keep you in order, the public
18 comments in order. To keep the public comments in order and
19 the meeting moving forward.

20 This evening's meeting is a public hearing to
21 receive your comments on the Revised Draft of the
22 Environmental Impact Report for the Cabrillo Port Liquified
23 Natural Gas, or LNG Deepwater Port project.

24 If you have come to speak, I would like to make
25 sure that you have filled out a yellow comment card. They

1 were at the desk, the tables outside. So that we can have
2 your name and take you in order, to call upon you to speak.

3 Some of you have been through this process before,
4 but I will remind you and inform others. Everyone will be
5 given three minutes. I have a timer here, you'll be given
6 three minutes to speak.

7 You will be speaking from this podium here. The
8 tall mike is the amplified mike, the other mike goes to the
9 court reporter. We have a court reporter on my far left.
10 The court reporter will be documenting all your comments.

11 You have three minutes. When there's one minute
12 left, I will be putting the sign up right here. That's to
13 let you know you have one minute to wind up your comments,
14 not try to squeeze a whole lot more in.

15 At three minutes, there will be a slight beep from
16 my timer, if you get to this point, but you may not hear it,
17 so I will be putting this up, it says "end." I would
18 encourage you to end your comments at that point and we will
19 move on to the next speaker.

20 If you have written comments that you would like
21 to submit for the record, you can hand them to me. They
22 will be included as part of the record.

23 And let's see, housekeeping, for those of you who
24 haven't been here before. There's a handicapped-accessible
25 unisex bathroom to my left, behind the stage. There are

1 other restrooms outside and kind of behind the auditorium in
2 this direction. I don't know if that's north or south, I'm
3 sorry.

4 Prior to our taking comments from all of you, we
5 will have a short presentation about the project.

6 And some of you, as you know, we have a series of
7 three meetings, public meetings of three different
8 communities this week. Last night we were in Santa Clarita,
9 tonight we're here, tomorrow we'll be in Oxnard. Some of
10 you have spoken last night, and we do not want to prevent
11 you from participating tonight. However, we do want to make
12 sure everyone has a chance to speak and get on record. So
13 those of you who have spoken before, we would appreciate it
14 if you'd keep your comments as brief as possible. But,
15 again, we're encouraging everybody to speak.

16 Our Panelists, you will hear from in a moment.
17 They will be sitting here for a long time, so somewhere
18 during the duration of this evening's testimony and comments
19 from you, we'll probably take a brief break, but that will
20 not cut into the duration of the evening. We will allow
21 adequate time for people to offer their comments.

22 And with that, I will pass the microphone baton,
23 so to speak, over to our distinguished Panel, and I believe
24 it's Mark. Dwight, okay.

25 Dwight Sanders, from the California State Lands

1 Commission, will make the opening comments.

2 Thank you.

3 MR. SANDERS: Thank you, Surlene, and can you hear
4 me? No. All right, how about now? Hello, is this okay?

5 All right. Who am I? Okay. Good evening, my
6 name is Dwight Sanders. Say again?

7 AUDIENCE: Can't hear you.

8 MR. SANDERS: Right up here, how's that? I'll eat
9 the darn thing. A little bit of a rosemary flavor, here.

10 All right. Now, can you see me? All right.

11 (Audience comment.)

12 MODERATOR GRANT: The lighting is a problem. It's
13 a challenge for us, as well. But I've been told that this
14 is the best we can do. If anyone here is familiar with the
15 facility, you can talk to the manager and make a different
16 arrangement, we more than welcome it. We are not doing this
17 on purpose, we would like some light as well. Thank you.

18 MR. SANDERS: All right. I've just been told that
19 we are, after the presentation, so that you can see these
20 slides, we will be putting on the stage lights. So,
21 hopefully, that will also eliminate the hollow and spread it
22 out as far as it will in the back.

23 But as I've tried to say two or three times, my
24 name is Dwight Sanders. I'm Chief of the Division of
25 Environmental Planning and Management, with the California

1 State Lands Commission.

2 The State Lands Commission has two significant
3 role sin the proposed project. Number one, the Commission
4 has received an application from the BHP Billiton Company to
5 use State lands, offshore California, to place natural gas
6 pipelines associated with the proposed Cabrillo Port
7 Liquefied Natural Gas Deepwater Port.

8 Secondly, and the purpose of our presence here,
9 tonight, the Commission is the lead agency, under the
10 California Environmental Quality Act, or CEQA, and as such
11 is responsible for preparing the Environmental Impact Report
12 for the proposed project.

13 The Cabrillo Port LNG Deepwater Port Draft EIS/EIR
14 was published in October 2004 and circulated for public
15 comment. Some of you here may have participated in the
16 public hearings that we held in 2004.

17 The applicant and the lead agency's reviewed the
18 comments that were submitted, and the applicant subsequently
19 revised key elements of the project, which will be described
20 to you later, in the presentation.

21 Commission staff determined that the project
22 modifications and the related potential impacts constituted
23 "significant new information," as defined under CEQA, and
24 has prepared and recirculated the document that we are here
25 to take testimony on tonight.

1 And as I indicated, the purpose of this hearing is
2 primarily to hear from everyone regarding the adequacy of
3 the analyses within the Revised Draft EIR.

4 Now, we fully understand and appreciate that the
5 project has generated controversy and concern. Statements
6 of either support or opposition, however, will be less
7 useful to us here, tonight, than comments on the adequacy of
8 the document, so that we can prepare the final document.

9 The public comment period for this document is
10 designated to end April 28th. We believe, however, that an
11 extension of time will serve the public interest by
12 providing increased opportunity for the submission of
13 comments. We have decided, therefore, to extend the comment
14 period by two weeks, that is by Friday, May 12th. This will
15 result in a 60-day public review period.

16 No consideration of the project will occur until a
17 final environmental document is prepared and released. This
18 will not occur until later this year.

19 Under the CEQA, the Commission, the State Lands
20 Commission, at another noticed public hearing, will consider
21 the final EIR. Should the Commission certify the
22 Environmental Impact Report, the Commission would
23 subsequently consider, at another public noticed meeting,
24 perhaps, whether to approve or deny BHP Billiton's
25 application for a pipeline right-of-way.

1 With me today are, on my left, Mark Prescott, from
2 the United States Coast Guard. And to my far left, Cheryl
3 Karpowicz, who is with Ecology and Environment, our
4 environmental consultant.

5 And you've already been introduced to Surlene, who
6 will be serving as our facilitator.

7 And we appreciate the time that you folks have
8 taken to come here tonight, and we're here to listen.

9 Mark.

10 MR. PRESCOTT: Thank you, Dwight.

11 Good evening. I'm Mark Prescott, I'm the Chief of
12 the Deepwater Port Standards Division, at Coast Guard
13 Headquarters. My office is responsible for processing all
14 deepwater port applications in cooperation with the Maritime
15 Administration.

16 We are the lead Federal agencies for the
17 development of the Environmental Impact Statement, which we
18 are preparing as a joint document, with the California State
19 Lands Commission.

20 The California State Lands Commission, as Dwight
21 has stated, determined that the Cabrillo Port LNG Deepwater
22 Port Draft Environmental Impact Report would be recirculated
23 to meet the requirements of the California Environmental
24 Quality Act.

25 The Draft EIR was initially published as a joint

1 State and Federal Draft Environmental Impact Statement/Draft
2 Environmental Impact Report in October of 2004.

3 The United States Coast Guard and the Maritime
4 Administration have determined that recirculation of the
5 Draft Environmental Impact Statement was not required to
6 meet Federal requirements of the National Environmental
7 Policy Act, and other Federal regulations.

8 My purpose for being here, while the Coast Guard
9 and MARAD determined that under NEPA, recirculation of the
10 2004 Cabrillo Port Draft EIS is not required, the Coast
11 Guard and MARAD fully support the California State Land
12 Commission's efforts to satisfy the CEQA requirements, by
13 recirculating the draft EIR.

14 I'm here to help explain that role and to
15 demonstrate our continued support and cooperation with the
16 State.

17 It is our intention to continue to work closely
18 with the State, and we will consider all comments received
19 on the Draft EIR for appropriate incorporation into the
20 final EIS/EIR.

21 We fully expect to jointly produce a single final
22 Environmental Impact Statement/Environmental Impact Report
23 later this year, that will serve as the basis for State and
24 Federal decision-makers.

25 The Coast Guard, MARAD, and other Federal agencies

1 cooperating in this process, and in cooperation with our
2 State of California partners, we're all committed to working
3 together to achieve a fair, open, and unbiased environmental
4 review that examines all relevant issues.

5 We invite and encourage public participation
6 throughout this process.

7 You may also view all public documents and
8 comments on the DOT Docket Management System, on the
9 internet. The Docket Number is 16877, and that is also
10 identified in the State's notice of this meeting.

11 At this time, Cheryl Karpowicz will give a
12 overview of the project and changes.

13 MS. KARPOWICZ: Thank you, Mark.

14 The California State Lands Commission and the U.S.
15 Coast Guard have hired Ecology and Environment,
16 Incorporated, to assist them in preparing an independent,
17 third-party Environmental Impact States/Environmental Impact
18 Report.

19 Our contract is with the California State Lands
20 Commission and we are working directly for Dwight Sanders
21 and Mark Prescott.

22 Our job has been to independently verify
23 information that has been submitted by BHP Billiton, to
24 analyze alternatives and potential impacts, and to assist
25 the Coast Guard and Lands Commission to prepare the document

1 for public review and comment.

2 Tonight, we look forward to hearing your comments
3 regarding the revised draft EIR, which incorporates comments
4 received during the 2004 comment period. We will respond to
5 all comments in the final EIS/EIR, which we plan to publish
6 and distribute during the summer of 2006.

7 Here is a map of the proposed project location in
8 the region. The Deepwater Port would be located about 14
9 statute miles or 12.01 nautical miles offshore, at the
10 closest point to land.

11 This is the only place where LNG would be handled.

12 Onshore, a metering station and other facilities
13 would be built, and underground pipelines would transport
14 natural gas through Oxnard and/or Ventura County, and in
15 Santa Clarita, to the existing Southern California Gas
16 System.

17 This graphic shows a schematic of the location of
18 the offshore LNG port and components of the project.

19 Here you see the offshore components. The
20 floating storage and regasification unit, or FSRU, would be
21 anchored offshore and would connect with two subsea
22 transmission pipelines that would lie on the ocean floor.

23 Closer to shore, the pipelines would be installed
24 beneath the beach at the Reliant Ormond Beach Generating
25 Station and would connect with the metering station, and

11

1 then to the proposed Center Road pipeline.

2 The two proposed onshore pipelines, the Center
3 Road pipeline, in Oxnard and Ventura County, and the Line
4 225 loop pipeline, in Santa Clarita, are shown here.

5 There have been a number of changes to the
6 proposed project since we last met with you. All of these
7 changes have been incorporated in the Revised Draft EIR.

8 I'd like to just briefly list them. Some
9 dimensions of the proposed FSRU are larger, including the
10 length, which is now 971 feet, up from 938.

11 The natural gas odorant would be injected on the
12 FSRU to aid in leak detection.

13 The safety zone would be measured from the stern
14 of the FSRU and not from the mooring point, increasing the
15 size of the safety zone.

16 The U.S. Environmental Protection Agency has
17 determined that a Federal Prevention of Significant
18 Deterioration Permit, their requirements, so not apply to
19 the project since maximum pollutant emissions fall below
20 major source thresholds.

21 To reduce air emissions --

22 MR. SANDERS: Is that better?

23 (Audience comment.)

24 MS. KARPOWICZ: Well, I'll try to speak as loud as
25 I can. Is that better? Okay.

1 To reduce air emissions, fewer support vessels
2 would be used and they would operate on natural gas, instead
3 of diesel. The route of the offshore pipelines has been
4 revised following geotechnical analysis, to reduce the
5 potential for a turbidity flow to affect the pipelines.

6 Pipeline installation at the shore crossing would
7 use a technology less likely to release fluids during
8 construction.

9 The Center Road pipeline would be rerouted to
10 bypass Mesa Union School.

11 Additional pipeline safety features would be
12 included to reduce impacts in case of a release of natural
13 gas.

14 These changes have been analyzed in the revised
15 draft.

16 One of our jobs in preparing the report is to
17 analyze both the proposed project and a range of
18 alternatives. The alternatives we examined are shown on
19 this map and include the no-action alternative, an
20 alternative port location, alternative shore crossings,
21 three alternatives to the Center Road pipeline, and an
22 alternative to the Santa Clarita pipeline.

23 We evaluated a broad range of environmental issues
24 and resources for analysis, as contained in the Revised
25 Draft EIR. In all, we identified 97 potential impacts and

1 85 mitigation measures. Total impacts in nine resource
2 categories would remain significant after mitigation.

3 Thank you, we look forward to your comments.

4 MODERATOR GRANT: Okay, thank you.

5 All right, we're dealing with a lot of room
6 challenges, and we can all make this evening go a little
7 better with a little cooperation from all of us on this. So
8 we will try our best, but if you can't hear us, I appreciate
9 you saying you can't hear us, that's good. So we'll try our
10 best.

11 For those of you who are sitting in the stairway
12 and standing along the back, there are plenty of seats in
13 the front half of the auditorium, so please make yourself
14 comfortable by sitting in one of the chairs.

15 All right. Now, we're going to start the public
16 comment section. As of this moment I have more than 60
17 speaker cards, so I'm really going to be a stickler on the
18 time thing and I'm going to really just beseech you to also
19 keep your remarks as timely as possible.

20 I know that a lot of people will probably go along
21 with one viewpoint or another, that someone is expressing.
22 And if we can keep the applause to a minimum, that would be
23 a wonderful thing.

24 Some of the forums that I've done in the past,
25 there's kind of a special thing that people do when they

1 agree, they kind of go like this. So maybe, instead of
2 applauding, we can wave our hands like this if we agree,
3 just to help with some of the distraction.

4 Also as a rule, in some of the previous meetings
5 we've asked that people not wave signs. So I'm going to ask
6 you to please try to follow that here, this evening, as
7 well. And we will move right through as best we can.

8 Some of you, when you signed up, you saw the list
9 outside that says what the state of the order of speakers
10 would be, and I'll just reiterate that. That to the best of
11 our ability we're going to call upon elected and appointed
12 officials, first, those representing public agencies, and
13 then individuals and organizations.

14 And again, you will have three minutes.

15 Our first speaker will be Aubrey Stern, the Mayor
16 for the City of Malibu.

17 I'm sorry, Andy Stern. Okay, I'm sorry. And what
18 I'd like to do, as Mayor Stern is coming forward, what I'd
19 like to do is I'm going to call four or five speakers at a
20 time, and if you can make your way forward, we have a row of
21 seats here, reserved for you, so then you can come and
22 speak.

23 So following him will be Melinda Watts, Ozzie
24 Silna, Paul Kay, and David Doepel.

25 Okay, thank you.

15

1 MR. STERN: I've been called a whole lot worse
2 than Aubrey, so don't worry about that. Can you hear me,
3 now, it's like a Verizon.

4 MODERATOR GRANT: We'll give you a minute, let's
5 stop the timer, let's get some sound.

6 MR. STERN: I'll use my outside voice. My wife
7 always tells me not to use my outside voice.

8 First of all, I want to welcome all of you to
9 Malibu. Can you hear me, now, all of you?

10 (Audience comment.)

11 MR. STERN: All right, I'm going to start yelling.
12 First off, I want to welcome you to Malibu and I have some
13 good news. I don't know who the representatives of Billiton
14 are here tonight, but I have good news for them, because a
15 week ago tonight I was re-elected to a four-year term, and
16 my main mission is to stop this experimental liquefied
17 natural gas terminal.

18 (Applause.)

19 MODERATOR GRANT: I know he's your mayor. If we
20 could keep the play down to a minimum, please.

21 MR. STERN: I understand in the last few weeks
22 Billiton's been giving parties in Oxnard, pizza parties, and
23 barbecue parties, and my strongest message is we don't want
24 your pizza, we don't want your barbecued ribs, and we sure
25 as hell -- sure as heck don't want this experimental

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-1

Sections 2.1 and 4.2.7.3 contain information on design criteria and specifications, final design requirements, and regulations governing the construction of the FSRU and LNG carriers.

T002-2

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-1

T002-2

1 terminal.

2 I do want to ask the residents, when they speak
3 tonight, to say they're from Malibu. Last time we had one
4 of these meetings there were several people who said they
5 were in favor of this and it turned out not one of them, not
6 one of them lived in Malibu. Every single person who spoke,
7 who was against Malibu, I can assure everyone in this room
8 does not want to be a guinea pig for this experimental
9 facility.

10 So I'll let the experts speak to the specifics,
11 the problems with the document and everything, but I want to
12 say, in the strongest possible sense, I have never before
13 seen such a unified group against anything in this city, and
14 we are all utterly and completely opposed to this.

15 This Monday night at the City Council meeting I'm
16 going to be placing an agenda item on, that's for a special
17 appropriation from the City of Malibu, as a downpayment to
18 lead the fight against this facility. And I assure you
19 there will be more council items, and I will do anything and
20 everything, money from the city and everything else, to stop
21 this potential disaster.

22 Thank you, and thanks to everyone for coming.

23 (Applause.)

24 MODERATOR GRANT: Please, I beseech you, we have
25 more than 60 speaker cards, we would like to give everyone

T002-2
Continued

17

1 an opportunity to speak this evening.

2 Could you state your name and if you have --

3 MS. WATTS: My name is Melina Watts and I work at
4 the Resource Conservation District of the Santa Monica
5 Mountains. I am also the Malibu Creek Watershed
6 Coordinator, so I'm speaking with two hats on.

7 On behalf of the Resource Conservation District of
8 the Santa Monica Mountains, we will be issuing a formal
9 comment letter by April 28th. I urge you all to do the
10 same.

11 We have grave concerns. The biologists I work
12 with have grave concerns about the impacts on the marine
13 life, water quality, air quality, recreation, human safety,
14 and boating safety. Again, we will be issuing a formal
15 comment letter.

16 As the Malibu Creek Watershed Coordinator, I work
17 with a group that represents all of the cities, agencies,
18 nonprofits, and many concerned citizens throughout the
19 watershed. And on behalf of the Malibu Creek Watershed
20 Council, we really do not want to see this come to pass, and
21 we will also be issuing a letter.

22 And we would like to see a more democratic
23 process, where there is a sense of human responsibility for
24 the waters off our shores that we all share.

25 Thank you.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-3

Section 4.7.4 contains information on impacts on marine biology. Section 4.18.4 contains information on impacts on water quality. The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures. Section 4.15.4 contains information on impacts on recreation. Section 4.2.7 contains information on impacts on public safety, including boating safety.

T002-4

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-5

Section 1.1 discusses regulations and agencies involved in the licensing and potential approval of the proposed Project. The USCG and MARAD will hold a final public hearing on the license with a 45-day comment period before the Federal Record of Decision is issued. The CSLC also will hold a hearing to certify the EIR and make the decision whether to grant a lease. Section 1.5 contains additional information regarding public notification and opportunities for public comment.

T002-3

T002-4

In accordance with NEPA and the CEQA, the lead Federal and State agencies have responded specifically to all comments, both oral and written, that concern the Project's environmental issues received during the public process, including scoping and two public review processes. All comments and responses are included in the Final EIS/EIR.

T002-5

18

1 (Applause.)

2 MODERATOR GRANT: Ozzie Silna.

3 MR. SILNA: Hello, my name is Ozzie Silna, I'm the
4 Treasurer of the Malibu Coastal Land Conservancy. I'm here
5 to read a statement made by Phil Angelides, Treasurer of
6 California.

7 AUDIENCE: Louder.

8 MR. SILNA: Pardon me, I don't have my reading
9 glasses, so I may stumble a little bit here.

10 "Like many Californians, I deeply resent
11 the action by Congressional Republicans
12 and the Bush Administration to preempt
13 State decisions about siting LNG
14 terminals along the California coast and
15 the Governor's rush to endorse the use
16 of LNG. The current approach to
17 considering each proposal in isolation
18 risks missing the collective impact of
19 LNG terminals on the coast and its
20 environment. I join with over 25
21 California environmental organizations
22 in endorsing Senator Simidian's Senate
23 Bill 426, which calls for a transparent
24 needs assessment and a comprehensive
25 evaluation and ranking of all proposed

T002-6

Ozzie Silna read the statement below into the record, which he attributed to Phil Angelides. He submitted a written copy of the statement to the California State Lands Commission after his reading. The written copy of the statement is included as 2006 Comment Letter P474.

T002-6

T002-7

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-7

T002-7 Continued

19

T002-8

Thank you for the information.

T002-7
Continued

1 LNG terminals according to a series of
2 stringent criteria. I ask the State
3 Lands Commission to require that LNG
4 terminals be considered only after a
5 comprehensive planning process is put in
6 place to examine the necessity, safety,
7 and environmental sustainability of the
8 projects and their cumulative effects on
9 the coast."

10 Thank you very much.
11 (Applause.)

12 MODERATOR GRANT: Paul Kay.

13 MR. KAY: Good day. My name's Paul Kay, I'm here
14 from the Embassy of Australia, in Washington --

15 AUDIENCE: We can't hear you. Put the microphone
16 in your mouth.

17 MR. KAY: I'm not sensing a very positive audience
18 here.

19 My name's Paul Kay, I'm from the Embassy of
20 Australia, in Washington D.C., and I'm here just to speak a
21 little bit about the Australian government's view on the
22 project and how the Australian government would like to see
23 LNG exported.

24 Just a small bit of background, Australia's got a
25 land mass similar to the whole of the United States, but

T002-8

20

1 it's only got a population of about 20 million.

2 Australia is the eighth largest foreign investor
3 in the United States and it's got a strong economy. We've
4 had 14 years of sustained economic growth in Australia.

5 The resource sector has been a very strong part of
6 that resource growth in Australia, of the growth in
7 Australia, the economic growth. And what's done that is
8 Australia being a reliable supplier of natural resources.

9 We've built a very strong reputation as a reliable
10 LNG supplier. We've supplied some 1,600 shipments of LNG to
11 North Asia, without incident. We've done that over nearly
12 two decades, since 1989.

13 I think it sort of stands as testament to the
14 labor and environmental laws applicable in Australia,
15 they're very consistent with, if not all, of the U.S. laws
16 on these matters.

17 The reliability, and pricing structure, and safety
18 of Australian LNG saw Australia as the first country to sign
19 an LNG export contract with China, about three years ago.

20 BHP Billiton is Australia's largest resource
21 company, it's also the world's largest resource company.
22 It's an excellent corporate citizen, acknowledged by
23 business and labor alike.

24 Australia's got large gas resources, nearing 200
25 TCF. To put that into terms of what the United States uses,

T002-8
Continued

T002-8 Continued

21

1 the United States uses about 20 TCF a year, we've got about
2 200 TCF that we're looking to bring to market, and our
3 production's forecast to grow five-fold over the next few
4 years.

5 Now, what I really want to say, though, is
6 Australia's natural connection with the United States. We
7 understand California's commitment to renewable energy and a
8 renewable energy future, but we do propose being part of
9 bridging the gap as you reach the point of renewable energy
10 over the next 25 or 50 years. Because, realistically, that
11 is how long it could take.

12 Australia's a stable, secure, safe supplier,
13 offering a supply of natural gas that California can count
14 on, and we would like to supply energy when the project
15 proceeds.

16 MODERATOR GRANT: Mr. Kay, your time is up.

17 David Doepel, please.

18 MR. DOEPEL: Thank you. Another Australian. And
19 to make an obvious point, I actually don't live in Malibu,
20 but I'm very glad to be here today. I do live in Marina del
21 Rey, however.

22 My name is David Doepel, I'm the Regional Director
23 in the United States for the Western Australian Trade and
24 Investment Office.

25 I rise in support of the Cabrillo Port project. I

T002-8
Continued

T002-9

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-9

1 believe that it is important, however, for Californian's to
2 understand a little about where the proposed LNG will be
3 sourced and the standards under which it is extracted and
4 processed.

5 (Audience comments.)

6 MODERATOR GRANT: Please limit the comments,
7 please.

8 MR. DOEPEL: Thank you. Australia is a federation
9 made up of six states and two territories. The state of
10 Western Australia occupies the western third of our
11 continent. It is six times the size of California and nine
12 times the coastline, almost 8,000 miles, the stewardship of
13 which we take very seriously.

14 Western Australia is governed both by our federal
15 Australian laws and our state laws, and both are
16 democratically elected governments.

17 BHP Billiton is proposing to obtain natural gas
18 from the offshore, northwest region of my state, process it
19 on the shore in Western Australia, into LNG, and to export
20 LNG by purpose-filled vessels to California.

21 In Western Australia, we have extremely high
22 standards for environmental protection, pollution control,
23 worker safety, and preservation of sacred Aboriginal sites.

24 These standards are policed and enforced, with
25 strong penalties available for noncompliance.

T002-9
Continued

1 Similar to the process that you're conducting here
2 this evening, we encourage and require public involvement in
3 our environmental processes, as well. This insures that all
4 issues can be raised and are considered by our independent
5 environmental protection agency in making its
6 recommendations to government.

7 We already have a number of large, similar complex
8 projects in operation, that have been subjected to our
9 rigorous evaluation and regulation processes, and that are
10 governed by our stringent environmental laws.

11 BHP Billiton has operated many projects in Western
12 Australia and has been a good corporate citizen.

13 In summary, on behalf of the state government of
14 Western Australia, I can assure you that the LNG to be
15 produced by BHP Billiton, in my state, will meet the very
16 high standards required and enforced by our state and our
17 federal government.

18 I thank you.

19 MODERATOR GRANT: Thank you.

20 Okay, I'm going to call on the next five names.
21 Again, if you could come to my right and take one of the
22 seats in the front here, I'd appreciate it, so that we can
23 keep rolling along.

24 Barry Groveman. Tiny writing, I'm sorry. Barry
25 Du Mou'r.

T002-9
Continued

T002-10

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

24

1 MR. DU MOU'R: Here, I'm right here.

2 MODERATOR GRANT: David Tubman, Timothy Park, and
3 John Coelho.

4 Yes, Mr. Groveman, please go up and speak, you
5 have three minutes.

6 MR. GROVEMAN: Thank you very much. I'm Barry
7 Groveman. For the past year I've been the Mayor of
8 Calabasas. I was the principle author of Proposition 65 in
9 California, which is the Safe Drinking Water and Toxic
10 Enforcement Act, and I've been an environmental attorney for
11 over 26 years.

12 I have two points. Number one, this has to be a
13 local decision. This shouldn't be a decision that's made by
14 people, well-intentioned or not, that are 6,000 miles away,
15 at least.

16 (Applause.)

17 MODERATOR GRANT: Again, if we could keep the
18 applause to a minimum. The applause cuts into the speaker's
19 time. Continue.

20 MR. GROVEMAN: I say that because long after
21 they're gone, they won't live here.

22 Second, Prop. 65 was one of the more unusual laws
23 in California, it's in its twentieth year. It warns people
24 of risk.

25 And the motto we had when we passed it, and the

T002-10

25

1 voters approved it in 1986, was "it's better to be safe than
2 sorry." It remains the case to be safe, rather than sorry,
3 when it comes to public health and safety.

4 And finally, as an environmental attorney, I'm not
5 making anything up when I tell you I have worked on every
6 underground storage tank, every pipe type of case there ever
7 was. There is no such thing as a tank or a pipe that
8 doesn't leak, they leak one hundred percent of the time.

9 So I don't need to take anymore time, except to
10 say, as somebody who's been a mayor, an environmental
11 lawyer, and the author of one of the great laws in
12 California, this is a wrong-minded project, in the wrong
13 place, at the wrong time.

14 (Applause.)

15 MODERATOR GRANT: Barry Du Mou'r. Barry Du Mou'r.
16 Is it close? B-a-r-r-y D-u M-o-u-r. There's no l-a-n-d
17 here, I'm sorry.

18 All right, you have three minutes. Again,
19 applause will cut into the speaker's time.

20 MR. DU MOU'R: Good evening, my name is Barry Du
21 Mou'r. I thought it appropriate to be here this evening
22 because I believe I have a unique perspective to share.

23 Specifically, I would like to address the safety
24 provisions of the Draft EIR and EIS. In that light, I'd
25 like to say that I appreciate that MARAD have acknowledged

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-11

Sections 2.3, 2.4, 2.6, and 2.7 contain information on Project pipelines. Section 4.2.8 contains information on safety requirements for pipelines. Section 2.1 and Appendix C3-2 identifies applicable safety standards. Sections 4.2.4, 4.2.7.3, and 4.2.8.2 identify agencies with the authority and responsibility for safety standards, design reviews, and compliance inspections. Section 2.1 and Appendix C3-2 identify applicable safety standards.

T002-11

26

1 the need to place LNG-qualified American mariners on LNG
2 vessels, calling in American deepwater ports. I'm not for
3 or against this, so please understand that.

4 As a member of the Marine Engineers Beneficial
5 Association and a member of the Coast Guard Active Reserve,
6 I'm probably one of the few people to have actually been
7 involved with inspecting LNG tankers, bringing in LNG cargos
8 for the Port of Boston, into the United States.

9 I have trained other Coast Guard personnel on its
10 understanding of shipboard LNG, and taught security
11 awareness, that's what I'm here for, to many different law
12 enforcement agencies. That's why I know it's critically
13 important the LNG transport vessels in the FSRU have
14 American mariners onboard and these distinct qualifications.
15 English speaking, Coast Guard licensed, and credentialed,
16 who have passed stringent Coast Guard and FBI background
17 checks that foreign crude vessels, many of them third world
18 countries, do not submit to.

19 Just from my background, since 2002 I have
20 qualified with the Coast Guard as a facility inspector, port
21 state controlled vessel examiner, foreign vessel security
22 inspector, a vessel movement officer for LNG tankers, and
23 the world's oldest commission Navy warship, the
24 Constitution, and the lead sea marshall in the Port of New
25 York.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-12

Sections 4.2.7.3 and 4.3.1.5 contain information on the use of
American crews and U.S.-flagged vessels.

T002-12

T002-13

Thank you for the information.

T002-13

T002-13 Continued

27

1 I had the opportunity to be one of the first in
2 conducting an LNG vessel security check under the 2002
3 Marine Transportation Safety Act and the International Port
4 and Facilities Security Acts in the Port of Boston.

5 Having been a first-line responder, and a past law
6 enforcement officer as well, I know there is no room for
7 error and no substitute for training and security procedures
8 when handling sensitive cargos.

9 With the right personnel, these cargos will be
10 shipped safely and securely into the ports throughout the
11 U.S. Thank you.

12 MODERATOR GRANT: Thank you.

13 Our next speaker is Timothy Park.

14 MR. PARK: Ladies and gentlemen, my name is
15 Timothy Park, representing Transys USA or Transportation
16 Safety Systems. I'm here, tonight, to express our support
17 for the Cabrillo Deepwater Port LNG Terminal.

18 It's our belief that much of the resistance to
19 this project relates to safety. Personally, I've worked
20 onboard these vessels for 21 years and the majority of that
21 time was spent on LNG vessels.

22 I'm a U.S. Coast Guard Licensed Master Mariner,
23 any oceans, unlimited tonnage, and I also hold the U.S.
24 Coast Guard license for engineering and have experience in
25 that department.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-13
Continued

T002-14

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-15

Thank you for the information.

T002-14

T002-15

T002-15
Continued

1 As the record shows, LNG vessels are among the
2 safest on the oceans today. The safety record of these
3 vessels is enviable and has been well-established for over 40
4 years. The record is not a fluke. The crew members
5 operating these vessels are among the most highly educated
6 and highly trained in the world's merchant fleets.

7 The technology of this project is there and has
8 been well-proven over the course of many years.

9 When I worked aboard these vessels, we thought
10 nothing of bringing our families aboard, to accompany us on
11 trips. If I could not think about bringing my family, and
12 my wife and daughter on one of these ships, I certainly
13 wouldn't be here today, asking for your support for this
14 project.

15 My company, Transys USA, develops highly realistic
16 simulators for this market. We believe that the question
17 you should be asking yourself is not about the safety of
18 these vessels, but who will be operating them and where were
19 they trained.

20 As a Coast Guard approved LNG training instructor,
21 I'm intimately aware of the quality and training at the
22 Calhoun Marine Engineering School and what the training
23 provides for its members.

24 These members have been involved in the safe
25 carriage of this cargo since the 1970s, and have experience

1 in just about every LNG port in the world, both import and
2 export.

3 The Calhoun Marine Engineering School, in
4 partnership with my company, Transys, has recently installed
5 a cutting edge simulator for bridging cargo operations.
6 It's an interactive training program, allowing students to
7 simultaneously control up to 56 different vessels, including
8 LNG ships, for any number of ports, Los Angeles included.

9 Computer-controlled vessels can be added to
10 intensify the training and scenarios can be developed that
11 can literally place 20 years of experience and operational
12 training into a one-hour simulation.

13 In addition, the installation of a state-of-the-
14 art LNG simulator will allow students to dock, unload, and
15 discharge these vessels while, again, inserting scenarios
16 that have been developed over 20 years.

17 Soon, they will also have an LNG terminal
18 operations simulator, allowing complete realistic training
19 for all involved in the transfer of LNG, both shoreside and
20 aboard the vessels.

21 My feeling is, with properly trained personnel,
22 such as those available within the MEMA, and with a quality
23 operator, such as BHP Billiton, we at Transys believe that
24 Cabrillo Deepwater Port can provide substantial economic
25 benefit to the citizens of California, both safely and

T002-15
Continued

30

1 efficiently.

2 Thank you very much.

3 MODERATOR GRANT: All right, David Tubman. While
4 Mr. Tubman is coming up, I imagine that there would be some
5 fire marshall concern about the stairway being blocked. So
6 if you're going to insist on sitting on the stairs, could
7 you at least all sit on one side. Thank you.

8 MR. TUBMAN: My name is David Tubman. I grew up
9 in California, I graduated from Cal Poly, and my parents and
10 brother still live here, in the State.

11 I serve as Assistant Council to the Marine
12 Engineers Beneficial Association and Maritime Labor Union.
13 I work in Washington D.C., by the way.

14 Several international energy companies have
15 applied for State and Federal approval to supply LNG to
16 California. After examining the feasibility, safety,
17 environmental, and security concerns associated with each of
18 these projects, it is clear to my colleagues and I that BHP
19 Billiton's Cabrillo Port is the best suited to provide a
20 secure, reliable, and cost-effective source of natural gas
21 for Southern California.

22 I'd like to briefly discuss MEBA, that's Marine
23 Engineers Beneficial Association's history and available
24 training that relates to LNG.

25 MEBA represents thousands of U.S. citizen marine

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-16

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-17

Thank you for the information.

T002-16

T002-17

1 engineering and deck officers aboard the vessels of the
2 American Merchant Marine.

3 MEBA was involved in the early development of LNG
4 transportation by ocean tank vessel. Since the 1970's, MEBA
5 officers served aboard a fleet of large, U.S. flag, LNG
6 tankers that pioneered the safe and efficient large-scale
7 transportation of LNG.

8 MEBA has acquired over 7 million man hours of
9 experience during more than 20 years in the LNG industry.
10 The skill and professionalism of our LNG ship officers is a
11 key component of the safe operation of ships and terminals.

12 Around the world, LNG officers are held to the
13 highest standards of training and good seamanship.

14 Commercial LNG operators and public safety
15 authorities recognize that LNG presents uniquely high risk
16 in the sensitive safety and security considerations for the
17 public at large, and they have adapted their standards and
18 procedures to reflect that.

19 LNG requires special safety systems and special
20 procedures to insure that it is properly loaded,
21 transported, and offloaded. These systems have continually
22 evolved to insure that the transportation of LNG, and its
23 delivery to homes and businesses is conducted in the safest
24 manner possible.

25 You will hear testimony tonight about my union

T002-17
Continued

T002-17 Continued

32

1 school, the Calhoun MEBA Engineering School, and the LNG
2 training offered.

3 We'll be submitting written comments regarding
4 this topic.

5 I appreciate the thoroughness of this process and
6 believe it is time to move things forward. I thank you very
7 much.

8 MODERATOR GRANT: Thank you. John Coehlo.

9 MR. COEHLO: Good evening, my name is John Coehlo.
10 I live in Cool, California, in the Sierra Nevada, about 30
11 miles northeast of Sacramento.

12 I have sailed for 22 years on LNG tankers.

13 (Audience comments.)

14 MODERATOR GRANT: You're cutting into the
15 speaker's time.

16 MR. COEHLO: I possess an unlimited U.S. Coast
17 Guard Captain's license. I sailed on seven of eight LNG
18 vessels that were registered under the American flag and
19 that carried LNG from Indonesia to the Far East. I sailed
20 as chief mate, cargo officer responsible for the entire
21 handling of LNG cargo, unloading and discharging the same.

22 U.S. Merchant Mariners are the pioneers of
23 shipboard transportation of LNG, and the Marine Engineers
24 Beneficial Association supplied these pioneers.

25 I sailed on vessels that transported LNG in the

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-17
Continued

T002-18

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-18

T002-18
Continued

1 Far East, even to the environmentally safe country of Japan.
2 If LNG could not be handled and transported safely, then the
3 Japanese would never have allowed LNG tankers into their
4 ports, and you know that. The Japanese are known to be
5 extremely, extremely safety conscious.

6 I know this because during my career we
7 transported LNG from ports in Somatra and Borneo to Japan.
8 The Japanese would then regasify it and store this natural
9 gas on the mainland within one mile of residential
10 communities.

11 We had an impeccable safety record and the lives
12 of thousands of Japanese citizens depended on the U.S.
13 Merchant Marine to supply this vital source of energy.

14 While the Cabrillo Port LNG project, you know, you
15 should have a concern about it. These concerns are not the
16 same degree as the concerns involved when LNG tank ships are
17 discharging and regasifying liquid natural gas within one
18 mile of a residential area.

19 Cabrillo Port will be located 21 miles from any
20 major population center and 14 miles from the nearest
21 landfall.

22 (Audience comment.)

23 MODERATOR GRANT: Please allow the speaker to
24 continue.

25 MR. COELHO: BHP Billiton is an Australian

T002-18
Continued

1 company. And like our two nations, which have been strong
2 allies, and standing by each other for decades, I believe
3 BHP intends to stand by the communities it lives in and
4 works with while it undertakes to insure California's energy
5 needs in the future.

6 Thank you.

7 MODERATOR GRANT: All right, our next set of
8 names. Doug Van Leuven, Carol Kurtz, Sharon O'Rourke,
9 Kelley Stark, and Joseph Geldhof.

10 I'm sorry, Mr. Van Leuven, go ahead.

11 MR. VAN LEUVEN: My name is Doug Van Leuven. I'm
12 a U.S. Coast Guard Certified Chief Engineer and Cargo
13 Engineer for LNG operation.

14 (Audience comment.)

15 MR. VAN LEUVEN: I am a California resident.

16 MODERATOR GRANT: Mr. Van Leuven, can you hold up
17 one moment?

18 MR. VAN LEUVEN: There's a lot of misinformation
19 in the public --

20 MODERATOR GRANT: Mr. Van Leuven, Mr. Van Leuven,
21 please pause, pause, pause.

22 To the audience, to the audience. This is a
23 public comment, public hearing. People will speak --

24 (Audience comment.)

25 MODERATOR GRANT: People will -- people will speak

35

1 to the pros and to the cons of the matter. We have more
2 than 60 cards, we will get through --

3 (Audience comment.)

4 MODERATOR GRANT: We will get through all the
5 cards.

6 Again, this is an advertised public meeting,
7 public hearing, we have pro and con. We're going to
8 continue the meeting -- if you continue to talk, you will
9 not hear the comments, but they will be recorded. Thank
10 you.

11 Mr. Van Leuven, please continue.

12 MR. VAN LEUVEN: I grew up -- I grew up in La
13 Havre, people.

14 (Audience comment.)

15 MR. VAN LEUVEN: I raised five children in
16 California, I still live here.

17 MODERATOR GRANT: Please continue, sir, the
18 microphone will pick up your comments.

19 MR. VAN LEUVEN: Citizens should know --

20 (Audience comment.)

21 MR. VAN LEUVEN: -- that the Revised Draft EIR is
22 a document completely produced by an independent, third-
23 party environmental consulting firm retained by California
24 State and Federal regulatory agencies, namely the United
25 States Coast Guard, the U.S. Maritime Association and the

1 California State Lands Commission.

2 The Revised EIR is not the work product or the
3 alter ego of BHP Billiton.

4 I support Cabrillo Port project because LNG
5 transportation has been proven to be safe. I began my
6 career in late 1980 on LNG ships. I have over 18 years
7 experience.

8 (Audience comment.)

9 MR. VAN LEUVEN: During our tours of duty, the
10 wives and children of shipboard officers frequently traveled
11 with us during portions of the tour. We believe it to be
12 safer aboard an LNG tanker than on the streets, walking at
13 home.

14 I learned to master the LNG trade through hands-on
15 experience. I also learned the trade through extensive
16 continuing education and training through my union facility
17 and, importantly, as a member of the Marine Engineers
18 Beneficial Association, affiliated with AFL-CIO.

19 I support the use of BHP Billiton's regasification
20 plant and the entire project because I believe it's safer
21 than nuclear power and environmentally better than coal-
22 burning facilities. LNG vaporizes, is nontoxic, and leaves
23 no residue.

24 Each LNG vessels carries sufficient natural gas to
25 power the needs of a city of 75,000 for a year. The process

T002-19

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-20

Thank you for the information.

T002-19

T002-20

T002-20
Continued

1 of converting liquified natural gas back into its gaseous
2 state, for use in our homes, has been utilized for more than
3 40 years. We do not need another energy crisis in
4 California. Because of the limited sources of natural gas,
5 California is vulnerable to another energy crisis.

6 According to the California Energy Commission, our
7 natural gas supplies will be diminishing in less than two
8 full years.

9 Cabrillo Port's using state-of-the-art facilities
10 and proven technology to deliver the natural gas that
11 California needs today to meet its energy goals now, and for
12 the future.

13 The Cabrillo Port Regasification and Storage
14 Facility, as well as the transportation of the LNG to the
15 facility can be achieved --

16 MODERATOR GRANT: Your time is up. Your time is
17 up, Mr. Van Leuven.

18 (Audience comment and applause.)

19 MODERATOR GRANT: Carol Kurtz.

20 Please quiet down.

21 MS. KURTZ: My name is Carol Kurtz and I'm a
22 resident of this area.

23 (Applause.)

24 MS. KURTZ: And I am not a member of any
25 particular organization that has a stake in the outcome of

1 this hearing.

2 I'm here with many of my neighbors, who are as
3 opposed to this project as I am.

4 I ask the Commission to take note, particular of
5 Section 6.1 of the Revised Draft EIR. It concludes that
6 "long-term unmitigable significant impacts would remain for
7 public safety, aesthetics, agriculture and soil, air
8 quality, marine biology, noise, recreation impacts, and
9 water quality."

10 This is not tolerable. The EIR is deficient
11 because alternative energy sources were not evaluated
12 adequately, if at all.

13 LNG is a fossil fuel. We should not be increasing
14 our dependence on foreign energy sources. Instead, as a
15 nation, we should be pursuing alternative renewable energy
16 sources and conservation.

17 Moreover, it is not certain that we are running
18 low on natural gas and BHP has made no promises that the gas
19 produced here will be supplied at a low cost, now or in the
20 future.

21 I urge everyone and, in particular, the Commission
22 to look at what BHP says -- not at what they say but,
23 instead, at what they do. Then ask yourself if you can
24 trust what they say. Are they honest in acting in our best
25 interest, in the interest of safety and health, when they

T002-21

The EIS/EIR contains substantial mitigation to avoid or reduce potential significant impacts to a level below significance criteria.

The EIS/EIR identifies and assigns significance to all levels of impacts as required by NEPA. The EIS/EIR also identifies unavoidable significant (Class I) impacts. The Administrator of MARAD under the authority of the Deepwater Port Act, the California State Lands Commission, and the Governor of California have to balance the benefits of the Project against its unavoidable environmental risks. In accordance with section 15093 of the State CEQA Guidelines, the CSLC would have to make a Statement of Overriding Considerations addressing Class I impacts prior to approval of the proposed pipeline lease application.

The lead Federal and State agencies share the responsibility to ensure that mitigation measures are implemented. Table 6.1-1 in Chapter 6 is the basis for the Mitigation Monitoring Program, which would be implemented, consistent with section 15097(a) of the State CEQA Guidelines, to ensure that each mitigation measure is incorporated into Project design, construction, operation, and maintenance activities.

T002-22

Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan. Sections 3.3.1 and 3.3.2 address conservation and renewable energy sources, within the context of the California Energy Commission's 2005 Integrated Energy Report and other State and Federal energy reports, as alternatives to the Project.

NEPA and the CEQA do not dictate an amount of information to be provided but rather prescribe a level of treatment, which may in turn require varying amounts of information to enable reviewers and decision-makers to evaluate and compare alternatives.

Section 1.2 discusses dependence on foreign energy sources.

T002-23

Sections 1.2.2 and 1.2.3 contain information on natural gas needs in the U.S. and California and the issues associated with domestic supply, such as increased competition from other states to satisfy the regional natural gas demand, and the dominant effect the U.S. natural gas market has upon California prices.

T002-21

T002-22

T002-23

T002-24

T002-24
Thank you for the information.

T002-24 Continued

39

1 have spent millions of dollars to manipulate this process?
2 In a letter that was sent to organizations in
3 Ventura, a PR firm representing BHP Billiton invited those
4 organizations to attend receptions, pizza lunch parties, and
5 breakfast briefings, and then they were told that they could
6 get a free ride to and from these hearings.

7 And enticement to attend was a free trip to
8 Australia, a grand prize drawing. Wasn't this just a very
9 thinly disguised effort to buy support and manipulate the
10 process? Please don't be fooled.

11 In 2005, BHP was the seventh largest lobbyist in
12 the State of California and I believe that the only project
13 they were lobbying for was the Cabrillo Port.

14 It is public record that BHP Billiton has spent
15 millions of dollars to lobby our Governor, our bankers, and
16 our citizens. I urge the Commission to address the issue of
17 the EIR failure to address alternative energy sources.
18 Thank you.

19 (Applause.)

20 MODERATOR GRANT: Sharon O'Rourke. Please state
21 your name at the beginning?

22 MS. O'ROURKE: Sharon O'Rourke. Good evening.
23 I'm the Public Affairs Manager from Southern California Gas
24 Company.

25 Southern California Gas Company supports bringing

T002-24
Continued

T002-25

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

| T002-25

T002-25 Continued

40

1 in new and diverse supplies of natural gas, including
2 liquefied natural gas into our region, because we believe
3 more supply sources would benefit all of our customers.

4 We believe new supply sources will increase the
5 reliability of natural gas in Southern California, and help
6 to reduce prices.

7 A study by Cambridge Energy Research Associates, a
8 leading international consulting firm, that specializes in
9 energy issues, estimated that the total savings in gas costs
10 from bringing LNG into the West Coast would be at least
11 several hundred million dollars a year, and could be as much
12 as a billion dollars a year.

13 While we support bringing in additional gas
14 supplies, Southern California Gas Company remains neutral on
15 all of the LNG projects proposed in the State. We believe
16 it is up to the local communities and appropriate regulatory
17 agencies to decide if and where LNG facilities should be
18 sited, and what mitigation measures will be required for
19 approved facilities.

20 Natural gas from this, or any other site built in
21 Southern California, will be fed into our natural gas
22 pipeline system. Safety is our priority. As with all
23 facilities, these new facilities will meet or exceed all
24 Federal and State safety standards for design, construction,
25 operation and maintenance.

T002-25
Continued

T002-26

T002-26
Thank you for the information.

T002-26
Continued

1 First, we design and build our pipelines and other
2 facilities very conservatively, and we conduct rigid
3 inspection and testing before the line can be put into
4 service. We take a number of steps, including regular
5 leakage surveys and intensive inspections to check the
6 condition of operating pipelines.

7 When we recognize a potential problem, we take
8 steps to prevent it from becoming an actual problem.

9 Southern California Gas Company has been serving
10 this region for nearly 140 years. In all those years, we
11 have maintained a strong safety record.

12 We will work hard to maintain not only our safety
13 record, but the trust and confidence of our customers and
14 the communities we serve. Thank you.

15 MODERATOR GRANT: Kelley Stark.

16 I encourage the audience to please be quiet and
17 maintain order. Thank you.

18 MR. STARK: Good evening. My name is Kelley
19 Stark, I'm a lifelong resident of California and a U.S.
20 Coast Guard Licensed Master Mariner.

21 (Audience comment.)

22 MODERATOR GRANT: Please continue.

23 MR. STARK: I'm a graduate of the California
24 Maritime Academy in Vallejo, California, and a member of the
25 Marine Engineers Beneficial Association.

T002-27
Thank you for the information.

42

1 My entire seagoing career has been predominantly
2 as a deck officer serving on tank ships. I began my career
3 at sea, sailing on oil tankers with Trinidad Corporation,
4 Crowley Tug and Barge, and Exxon Shipping Company.

5 (Audience comment.)

6 MR. STARK: I then sailed on LNG tankers with
7 Energy Transportation Corporation, and then Pronab Ship
8 Management Company, for approximately 12 years. The ETC
9 Pronab vessels I sailed on carried liquefied natural gas
10 dedicated to the Indonesia, Japan, and Brunei, Korea trades.

11 On those LNG vessels, I worked as a United States
12 Coast Guard Qualified LNG Cargo Officer. My
13 responsibilities included every facet of loading liquefied
14 natural gas, from liquefaction facilities in the Far East,
15 discharging of LNG to regasification facilities in the Far
16 East, and all shipboard operations pertaining to the safe
17 transportation of liquefied natural gas.

18 My career also entails serving as a marine
19 superintendent in the Middle East, for RASCAS, in Qatar.

20 As a marine superintendent, I supervised the
21 arrival, loading and departure of LNG ships at Roshlafon
22 Industrial City, in Qatar.

23 I worked very closely with vessel personnel to
24 insure that company, local, national, and international
25 rules and regulations concerning the safe-loading of LNG

T002-27

T002-27 Continued

43

1 were followed.

2 Considering the fact that I was selected to work
3 in the Middle East as a ship superintendent, speaks volumes
4 to the credibility of the training and experience that
5 Americans have in the safe and secure transportation of LNG.

6 Cabrillo Port, the Floating Port and
7 Regasification Terminal, itself, will be an offshore
8 floating terminal. Thus, Cabrillo Port will not be a
9 permanent platform but, rather, a temporary floating
10 facility.

11 When retired from service, Cabrillo Port will be
12 detached from its moorings and towed to another location,
13 possibly for another use, or even to be scrapped.

14 (Audience comment.)

15 MR. STARK: Cabrillo Port will not be visible from
16 land, to the naked eye, except from a few locations, and
17 then only on the clearest days, which account for less than
18 25 days per year.

19 Even in those cases, Cabrillo Port will still be
20 farther from shore than any of the 5,000 ships that
21 travel --

22 MODERATOR GRANT: Mr. Stark, your time is up.

23 The next speakers will be Joseph Geldhof, Valerie
24 Sklarevsky, Saunders Jones, and Geoffrey Hunter.

25 MR. GELDHOF: I think you'll be into the Malibu

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-27
Continued

T002-28

T002-28

The projected FSRU in-service life is a maximum of 40 years. Environmental conditions and specific impacts 40 years from now are not reasonably foreseeable. As noted in Section 2.8, supplemental NEPA/CEQA documentation, which would take into consideration the environmental conditions at the time, would be required prior to the decommissioning of the FSRU. Also as noted in Section 2.8, as part of the license approval, the DWPA requires each applicant to furnish a bond or demonstrate other proof that if the project is abandoned then sufficient monies would be available for either completion or demolition of the project.

T002-29
Thank you for the information.

44

1 residents, soon.

2 I live up in the country of Alaska, and I'm
3 affiliated with the Mariners --

4 (Audience comment.)

5 MR. GELDHOF: My residence is in Alaska, so you
6 could say what possibly could I offer to you people, living
7 in this beautiful place. And it would be the following that
8 30 years ago gas, worldwide, was a local commodity, it was
9 viewed, in some ways as a new sense it was flared off, and
10 in the last 20 years it's become increasingly a global
11 commodity. To the point in the last decade, where gas is an
12 important commodity that's moved around.

13 I live in a place where there's a lot of gas and
14 there's no market for it. You all live in a place, in
15 Southern California, where there's a tremendous demand for
16 gas, and you don't have much. And you're not going to get
17 it from the Rocky Mountains, you're not going to get it, you
18 know, from offshore California stuff.

19 So essentially what this proposal, from BHP
20 Billiton, which is kind of a new facility, but it can work
21 from a technical point of view and it represents almost no
22 significant safety elements. It's a portal for all you
23 people, in the largest gas market in the United States, to
24 have available gas. It uses your existing system --

25 (Audience comment.)

T002-29

1 MR. GELDHOF: So it comes down to do you want to
2 have a portal here or do you want to run LNG tankers into
3 Long Beach, or take it to Tijuana.

4 I mean, it's wonderful here, in Malibu, where the
5 offshore breezes keep the air pollution, but this proposal
6 actually --

7 (Audience comment.)

8 MR. GELDHOF: It's been used, on the local vessels
9 and stuff, you're not burning diesel offshore. This is a
10 remarkably good technical -- no, they're not going to burn
11 LNG, they're going to convert it substantially offshore.

12 So in terms of having watched the original thing,
13 you've done a significantly good job at proposing mitigating
14 measures on the onshore stuff. The Commission has done a
15 good job on the air quality, which I viewed as a significant
16 issue in the last.

17 And I will submit the rest of my comments in the
18 written thing.

19 But I tell you, folks, you've got to decide
20 whether you want coal, oil, or nuclear. Sure, we should all
21 reconsider --

22 (Audience comment.)

23 MR. GELDHOF: So let's get to the Malibu people
24 and hear this.

25 (Applause.)

46

1 MODERATOR GRANT: I would encourage you to direct
2 your presentation to the Panel. And if we get really
3 unruly, I do have the authority to have the peace officers,
4 here, to remove people and I really don't want to do that.

5 (Audience comment.)

6 MS. SKLAREVSKY: My name is Valerie Sklarevsky, I
7 live on Green Water Road, and I've listened to a lot of
8 people here, tonight, and I really don't want to address the
9 Panel, I want to address my fellow citizens of Malibu.

10 I am here because I am totally opposed to this.
11 And they might say anything they want about Federal and
12 State regulations, but 25 years ago I saw them open Diablo
13 Nuclear Power Plant, which is spewing radiation into the air
14 and into the ocean every day, as part of their operating
15 plant.

16 This company, they could do very well in New
17 Orleans, because their facility ended up 130 miles down the
18 coast, spewing LNG the whole way.

19 And I tell you, because I just got back from five
20 days in New Orleans and, guess what, the people there are
21 under post-traumatic syndrome.

22 I look up here, at this thing on the wall, it's
23 very sterile, not like our Pacific Ocean.

24 I've been in Malibu for 26 years and I've seen a
25 lot of storms. I want to talk to the people who work for

T002-30

Section 4.13.1 contains information on sensitive land uses in proximity to proposed and alternative pipeline routes, such as schools. There are no schools in the immediate vicinity of either of the proposed pipeline routes. Section 4.2.8 describes regulations regarding pipelines, including the requirement to establish public education programs to prevent and respond to pipeline emergencies. Section 4.2.8.4 contains information on the estimated risk of Project pipeline incidents. Section 4.16.1.2 describes emergency planning and response capabilities in the Project area.

The proposed pipelines within Oxnard city limits would meet standards that are more stringent than those of existing pipelines because they would meet the minimum design criteria for a U.S. Department of Transportation (USDOT) Class 3 location. Also, MM PS-4c includes the installation of additional mainline valves equipped with either remote valve controls or automatic line break controls. SoCalGas operates high-pressure natural gas pipelines throughout Southern California.

T002-30

T002-30 Continued

47

1 this company. We don't want your poison here, we're
 2 thinking about seven generations down the line, we don't
 3 want you to make a lot of money.

4 Another thing, I don't want to be disjointed, but
 5 when 911 happened, a lot of the heros showed up and they
 6 were the firemen, and they were the policemen, and they were
 7 people who showed up.

8 Guess what, New York City, and the company that
 9 hired them to clean up that mess, had one billion dollars in
 10 the bank and they are refusing to help the people who are
 11 sick and dying from cleaning up this mess.

12 If they put this off our shore, guess what happens
 13 if it explodes, people? Do you think it will be them, from
 14 Australia, who's here to clean it up? It will be you, and
 15 I, and your children, and your grandchildren.

16 We have to stand up as a community, we have to say
 17 no to this.

18 (Applause.)

19 MS. SKLAREVSKY: And let me tell you, Diablo
 20 Canyon is still in operation and they don't know what to do
 21 with the waste. A man from their company says it's vacant.
 22 What, put this thing in storage after this thing is done?
 23 I'm sorry, you have to think about it a lot more before you
 24 convince me or a lot of other activists in this community.

25 And another thing that I heard was, you know,

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-30
Continued

T002-31

Section 4.2.5 contains information on liability in case of an accident and reimbursement for local agencies.

T002-32

The projected FSRU in-service life is a maximum of 40 years. Environmental conditions and specific impacts 40 years from now are not reasonably foreseeable. As noted in Section 2.8, supplemental NEPA/CEQA documentation, which would take into consideration the environmental conditions at the time, would be required prior to the decommissioning of the FSRU. Also as noted in Section 2.8, as part of the license approval, the DWPA requires each applicant to furnish a bond or demonstrate other proof that if the project is abandoned then sufficient monies would be available for either completion or demolition of the project.

T002-31

T002-32

T002-33

Thank you for the information.

T002-34

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

48

1 people in Malibu, they don't speak up as much as they do in
2 Oxnard, let's put it down there. Well, guess what, here I'm
3 speaking up and I'm ready to stop. Goodbye.

4 (Applause.)

5 MODERATOR GRANT: Saunders James, followed by
6 Geoffrey Hunter.

7 Saunders James.

8 MR. JONES: Well, for the record, my name is
9 Saunders Jones, not James.

10 I'm a U.S. Coast Guard Licensed Mariner. I have
11 over 20 years experience of serving on ocean-going vessels,
12 including tankers, freighters and container vessels.

13 I've traveled the world under all weather
14 conditions.

15 In addition, I have 18 years as a maritime
16 shipping executive in the United States Merchant Marine
17 industry.

18 In my career, I have conducted and managed
19 numerous operations, assessments to insure safety standards
20 and protocols are followed and adhered to by captains, ship
21 officers, and crew members all over the world.

22 I am here in support of BHP Billiton's Cabrillo
23 Port. Given my extensive past shipboard experience, I would
24 like to speak to two concerns expressed by the opposition,
25 that I believe are not correct.

T002-33

T002-34

1 First of all, I have personally piloted numerous
2 large, ocean-going vessels in the international shipping
3 lanes off this coast, through the Santa Barbara Channel for
4 over 20 years.

5 I strongly disagree that Cabrillo Port will
6 disrupt maritime activities in the shipping lanes. On the
7 contrary, Cabrillo Port will be located away from these
8 shipping lanes.

9 We Mariners are very familiar with the
10 requirements of the safety zones and areas to be avoided, as
11 proposed by BHP Billiton, because these safety measures
12 surround platforms, Federal sites, and offshore military
13 sites and other hazards all over the world.

14 Also, according to Sandia National Laboratories,
15 the leading national security laboratory, sponsored by the
16 U.S. Department of Defense and U.S. Department of Homeland
17 Security, the likelihood of an accidental collision with
18 Cabrillo Port, by a vessel, causing a breach of a gas tank,
19 is estimated to be once every 420,000 years.

20 Believe me, there are many more pressing hazards
21 than a Mariner must deal with on any day, in the open ocean,
22 rather than a floating, stationary, vessel-like platform,
23 such as the FSRU.

24 Furthermore, under the U.S. Maritime Security Act,
25 Cabrillo Port will be required to have a complete security

T002-34
Continued

T002-34 Continued

50

1 plan, approved by the U.S. Coast Guard, the U.S. Department
2 of Homeland Security before it can begin construction.

3 On the second point, because Cabrillo Port will be
4 located and floating in deep water of more than 2,500 feet,
5 Cabrillo Port will not be affected by earthquakes or any
6 resulting tsunami, if that were to occur.

7 MODERATOR GRANT: Your time is up, sir.
8 Mr. Jones, your time is up.

9 Geoffrey Hunter. Mr. Hunter, use the hand-held
10 mike, please. Use that one, put it close to your mouth.

11 MR. HUNTER: Okay. My name is Geoffrey Hunter,
12 and I reside at 6930 Wildlife Road, in Malibu, California.
13 That's on Pt. Dume.

14 Based on the maps contained in the Revised DEIR,
15 I'm about 16 miles from the FSRU, ten miles from the worst
16 credible, intentional vapor cloud fire.

17 For this reason, I am very concerned about
18 shoreline safety due to a massive LNG spill.

19 My background. I was born and raised in
20 Cleveland, Ohio. I graduated from Case Institute of
21 Technology, with a degree in mechanical engineering, with a
22 heat power option.

23 I was employed at Rocketdyne Division, in Canoga
24 Park, California, for 37 years, developing large liquid
25 propellant rocket engines. These engines are fueled by

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-34
Continued

T002-35

T002-35

Section 4.11 contains information on seismic and geologic hazards and mitigation that specifically addresses the potential damage to proposed pipelines from a direct rupture along fault lines. Appendices J1 through J4 contain additional evaluations of seismic hazards.

T002-36

Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline.

T002-36

The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C. Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results.

T002-37

Thank you for the information.

T002-37

T002-37 Continued

51

1 propellants, including kerosene, and liquid cryogenics, such
2 as oxygen, hydrogen, and flourine.

3 We also studied using liquid methane, essentially
4 LNG, as a propellant for these rockets.

5 I was also involved in Solar One Project, near
6 Barstow, California, which produced electricity using solar
7 energy.

8 I have a long-time interest in LNG. As I
9 mentioned, I was brought up in Cleveland. I was attending
10 junior high school in Cleveland on Friday, October 20th,
11 1944, when East Ohio Gas Company LNG incident occurred.

12 I vividly remember seeing smoke over the -- fire
13 and smoke over the city and photos of the extensive damage
14 and eyewitness accounts in the newspapers on the following
15 days.

16 Based on my judgment, because the 1944 incident
17 was land based, it has negligible application to the
18 Cabrillo project.

19 Okay. At a Cabrillo Port Project hearing in 2004,
20 I expressed concern about predictions for public safety, for
21 a vapor cloud from a large LNG spill at the FSRU.

22 The concerns were gas concentration high enough to
23 asphyxiate people on the shore and the vapor cloud igniting
24 on reaching the shore, with a massive explosion fire.

25 My main point was there was no computer model

T002-37
Continued

T002-38

To date, there has never been a large spill of LNG to water. Conducting a large LNG spill to validate the models would result in adverse environmental consequences. However, models are commonly validated using experimental data. Section 2.3.4.2 of Appendix C1 contains information on tests executed by the U.S. Department of Energy and the calibration/verification of the Fire Dynamics Simulator model used in the Independent Risk Assessment. Appendix C1 provides additional information on this topic and Appendix C2, prepared by the U.S. Department of Energy's Sandia National Laboratories, contains information on the review and assessment of the models used.

T002-38

T002-38 Continued

52

1 predictions based on empirical tests. And a lot of this is
2 based on my experience as a rocket engineer.

3 I reviewed the current DEIR in regards to modeling
4 of the vapor cloud and have concluded that the model is
5 anchored by empirical tests, and the predictions are
6 conservative.

7 MODERATOR GRANT: Your time is up.

8 MR. HUNTER: Okay. Okay, there's no danger, I am
9 no longer concerned about my safety, I am in favor of the
10 project. We need an energy --

11 (Audience comment.)

12 MODERATOR GRANT: Okay, the next group of names
13 are -- hello. Hello, the longer you heckle, the longer
14 we'll be here.

15 The next group of names are Kelly Hayes-Raitt,
16 Mike Blakeslee, Howard Ferguson, Ed MacCormal.

17 MS. HAYES-RAITT: Good evening. I'm Kelly Hayes-
18 Raitt, and I'm here from Santa Monica, downwind from where
19 the proposed platform is going to be.

20 I'm here tonight to support the Malibu residents
21 in your opposition to the facility.

22 We know the Billiton proposed platform is an
23 experimental design. We've already seen how this
24 experimental design weathered bad weather during Hurricane
25 Katrina. When the platform was ripped -- its hurricane-

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-38
Continued

T002-39

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-40

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-41

Section 2.1 contains information on design criteria and specifications, final design requirements, and regulations governing the construction of the FSRU. The Cabrillo Port must be designed in accordance with applicable standards, and the U.S. Coast Guard has final approval. Section 4.2.4 contains information on Federal and State agency jurisdiction and cooperation. The Deepwater Port Act specifies regulations that all deepwater ports must meet; Section 4.2.7.3 contains information on design and safety standards for the deepwater port. Section 4.2.8.2 contains information on pipeline safety and inspections. Impact EJ-1 in Section 4.19.4 addresses additional pipeline design requirements in areas of low-income and minority communities. The EIS/EIR's analyses have been developed with consideration of these factors and regulations and in full conformance with the requirements of NEPA and the CEQA.

T002-39

T002-42

The Typhoon Platform, a tension leg production platform in the Gulf of Mexico jointly owned by Chevron and BHPB, was severed from its mooring and severely damaged during Hurricane Rita. The Typhoon Platform was designed for a different purpose using different design criteria.

T002-40

T002-41

T002-42

The Cabrillo Port must be designed in accordance with applicable standards, and the USCG has final approval. Section 2.1 contains information on design criteria and specifications, final design requirements, and regulations governing the construction of the FSRU. Section 4.2.4 contains information on Federal and State agency jurisdiction and cooperation. The Deepwater Port Act specifies performance levels that all deepwater ports must meet; Section 4.2.7.3 contains information on design and safety standards for the deepwater port. Section 4.2.8.2 contains information on pipeline safety and inspections. If the FSRU were to

become unmoored, the patrolling tugboats could be used to hold it in place. Section 4.3.1.4 addresses this topic.

The regulation implementing the Deepwater Port Act (33 CFR 149.625 [a]) states, "Each component, except for those specifically addressed elsewhere in this subpart (for example, single point moorings, hoses, and aids to navigation buoys), must be designed to withstand at least the combined wind, wave, and current forces of the most severe storm that can be expected to occur at the deepwater port in any 100-year period." By definition, a 100-year wave event is expected to occur once every 100 years on average over the course of many hundreds of years. The EIS/EIR's analyses have been developed with consideration of these factors and regulations.

T002-42 Continued

53

1 proof platform was ripped off its moorings and sent 135
2 miles away.

3 Who is to guarantee that a similar kind of
4 disaster wouldn't happen here, in Malibu, if we had some
5 sort of a major winter storm? Who is to guarantee what
6 would happen during an earthquake, or during a tsunami?

7 But we do have a couple of guarantees. We know
8 that the proposed platform is guaranteed to contribute to
9 deteriorated air quality. We know it's guaranteed to
10 contribute to deteriorated coastal and water quality. It is
11 guaranteed to bring massive, new pressurized pipes of
12 natural gas ashore, right over known earthquake fault lines.

13 It is guaranteed to expose our communities to
14 major risks, while doing relatively little to enhance our
15 local economy.

16 And here's another guarantee. I'm running for
17 State Assembly, and if I'm in the State Assembly, I
18 guarantee that I will not rest until we have a solar panel
19 on every roof in California.

20 (Applause.)

21 MS. HAYES-RAITT: Accidents happen, but only if we
22 keep repeating our accident-prone past. The hue and cry by
23 commercial interests that we need increased supplies of
24 natural gas is just as suspect as Enron's cries of energy
25 shortages were.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-42
Continued

T002-43

T002-44

T002-45

T002-46

T002-47

T002-48

T002-43

The regulations implementing the Deepwater Port Act (33 CFR 149.625 [a]) require that "each component, except for hoses, mooring lines, and aids to navigation buoys, must be designed to withstand at least the combined wind, wave, and current forces of the most severe storm that can be expected to occur at the deepwater port in any 100-year period."

By definition, a 100-year wave event is expected to occur once every 100 years on average over the course of many hundreds of years. The estimated 100-year wave height (7+ meters) and peak wave period (16+ seconds) at the FSRU exceed any waves generated locally by strong northwest winds. The most extreme waves are primarily generated in the deep ocean and propagate through the Channel Islands.

In addition, the standby tugboats would be available to hold the FSRU in place until the Captain of the Port could determine a course of action.

T002-44

Section 4.11 contains information on seismic and geologic hazards. Appendices J1 through J4 contain additional evaluations of seismic hazards. Section 4.11.1.8 contains information on tsunamis.

T002-45

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T002-46

Section 4.18.4 contains information on potential impacts on water quality and mitigation measures to address such impacts.

T002-47

Section 4.11 contains information on seismic and geologic hazards. Appendices J1 through J4 contain additional evaluations of seismic hazards. Section 4.11.1.8 contains information on tsunamis.

T002-48

Section 4.2.7.6 and the Independent Risk Assessment (Appendix

C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline. Sections 4.2.4, 4.2.7.3, and 4.2.8.2 identify agencies with the authority and responsibility for safety standards, design reviews, and compliance inspections. Section 2.1 and Appendix C3-2 identify applicable safety standards.

54

1 For the next decade we have natural gas supplies
2 in Texas and New Mexico that will remain strong.

3 In the interim, we should develop, we should fully
4 develop clean, renewable, decentralized energy.

5 Like many of us in this room, I've been at the
6 forefront of fighting offshore oil and gas processing and
7 drilling. I am so sick and tired of talking about energy
8 conservation, I could scream.

9 It's about time that we talk about energy
10 independence from the gas and oil industry.

11 Our State has the brains, the resources, and the
12 sunshine to make us fully energy independent, and I want to
13 take us there.

14 Thank you all for being here tonight, this is an
15 incredible showing of support in the community. I'm proud
16 to be here.

17 (Applause.)

18 MODERATOR GRANT: Mike Blakeslee.

19 MR. BLAKESLEE: Good evening, my name is Mike
20 Blakeslee. As a California citizen who has served aboard
21 LNG vessels for more than 20 years, I am appreciative that
22 the U.S. Coast Guard and MARAD has acknowledged the need to
23 place LNG-qualified American Mariners on all LNG vessels
24 calling at American deepwater ports.

25 Well-trained American crews are the major

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-49

T002-49

Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan.

Sections 3.3.1 and 3.3.2 address conservation and renewable energy sources, within the context of the California Energy Commission's 2005 Integrated Energy Report and other State and Federal energy reports, as alternatives to the Project.

55

1 component for maximizing safety and security, which I
 2 believe the good people here at Oxnard and Malibu are
 3 entitled to.

4 However, in that these agencies are unable to
 5 mandate American crews, I appreciate their pointing out the
 6 issue in Section 4.3.1.5 of the Revised EIS and elsewhere.

7 Please understand that although MARAD cannot
 8 mandate the requirement for the manning of these vessels
 9 with U.S. crews, the Maritime Administration cannot prevent
 10 the crewing of those vessels with Mariners with only U.S.
 11 Coast Guard issued credentials.

12 The citizens in this community have a voice and
 13 can demand that vessels bringing gas to California be
 14 carried on ships crewed by U.S. Merchant Mariners, and that
 15 the regasification facility be staffed by U.S. Merchant
 16 Mariners, as well.

17 I am a U.S. Coast Guard Licensed Chief Engineer.
 18 And during my 20 years as a shipboard engineer on LNG ships,
 19 I was responsible for all aspects of the safe and secure
 20 handling of LNG. The fleet of eight LNG ships, that I
 21 worked in conjunction with, posted an impeccable safety
 22 record for the three decades it operated in the Far East.

23 Liquefied natural gas is a natural gas in its
 24 liquid form. Near the source of supply, natural gas is
 25 cooled to a liquid so that it can be transported over long

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-50

Sections 4.2.7.3 and, as indicated by the commenter, 4.3.1.5
 contain information on the use of American crews and U.S.-flagged
 vessels.

T002-50

T002-51

Your statement is included in the public record and will be taken
 into account by decision-makers when they consider the proposed
 Project.

T002-52

Thank you for the information.

T002-51

T002-52

1 distances.

2 LNG is nontoxic, a noncorrosive form of natural
3 gas, which is the cleanest burning fossil fuel.

4 While North American reserves continue to
5 diminish, natural gas remains abundant in regions beyond our
6 shores.

7 Therefore, LNG is the most viable answer to meet
8 both current and future energy needs of the State and the
9 Nation.

10 Cabrillo Port is a responsible solution to address
11 the significant increase in energy use and population
12 growth.

13 Cabrillo Port is the right project, and in the
14 right place, and at the right time to meet California's need
15 for natural gas.

16 Cabrillo Port is not an onshore facility, in a
17 heavily populated area. In that it is offshore, its
18 location is the optimum point for importing LNG into the
19 State.

20 Conservation is a great approach, but will never
21 be a total solution unless we adopt certain Draconian
22 measures no one has yet dared to suggest.

23 We are use from becoming a hundred percent reliant
24 on solar, wind, geothermal, and fuel cell technology. Until
25 then, our best chances for survival means diminishing our

T002-52
Continued

T002-52 Continued

57

1 reliance on conventional fossil fuels, in favor of the
2 cleanest burning hydrocarbon, natural gas.

3 MODERATOR GRANT: Sir, your time is up.
4 Mr. Blakeslee, your time is up, your time is up.

5 MR. BLAKESLEE: Thank you.

6 MODERATOR GRANT: Howard Ferguson. Please begin.

7 MR. FERGUSON: My name is Howard Ferguson and I am
8 a Malibu resident. In fact, I live on Pt. Dume. And we,
9 who will be probably the most affected by the plant.

10 I've watched the dance here tonight, these fellows
11 they dance real well. I've asked the question and still
12 haven't gotten answered on it, the tankers that will be
13 supplying this facility, that will be bringing in this mass
14 of natural gas, now, as I understand it, they are still
15 going to be burning diesel. And all of that burning out
16 there, where is it going to go?

17 I've lived here for 25 years, and I've lived in
18 Malibu clean air, and I'm still healthy. I have had
19 personal experience with friends and relatives that have
20 sickened and died from the pollution in the San Pedro and
21 Long Beach areas, primarily from the tanker/trader kind of
22 traffic, and the pollution that comes onshore from that.

23 And now, you folks, you're bringing this to my
24 home, to kill me and my people, and I have one question for
25 you, and I address it to you, because that's where the gas

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-52
Continued

T002-53

Project vessels associated with FSRU operations, including LNG carriers, would be fueled with a 99 percent natural gas/1 percent diesel mixture.

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains a revised discussion of Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T002-53

T002-54

Section 4.2.7.3 and Appendix C3-2 contain information on LNG carrier security.

58

1 is coming from. I don't know who the Billiton people are
2 here, because they do disguise themselves behind all of
3 these other expert, marine people.

4 So I address it to you, and my question is, how
5 dare you.

6 (Applause.)

7 MODERATOR GRANT: Thank you.

8 Ed MacCormad.

9 MR. MAC CORMAD: Okay, you guys, I'm another one,
10 you can boo me now. I am for the project, my name's Ed Mac
11 Cormad.

12 I heard one lady ask what organization am I with?
13 I'm with the Marine Engineers Beneficial Association. What
14 we are is a bunch in here who run the ships, we are into
15 safety.

16 The reason I'm saying this is what are you going
17 to do if this project does go up, what are you going to do?

18 (Audience comment.)

19 MR. MAC CORMAD: We'd rather have Americans
20 running the ships and running the plant, they know what
21 they're doing. I'm just saying, it's something to think
22 about. If this thing gets passed through, you're going to
23 want to have solid Americans, who know what they're doing
24 out there.

25 We live in California --

T002-54

T002-55

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

59

T002-55

1 (Audience comment.)

2 MR. MAC CORMAD: All I can say is we're a great
3 organization and I do support Billiton on this project.
4 Thank you very much.

5 MODERATOR GRANT: The next group of speakers will
6 be Susan Jordan -- the next group of speakers, Susan Jordan,
7 Karen Kraus, Amber Tysor, Shiva Polefka, and Alicia
8 Roessler, Linda Krop.

9 Susan Jordan, is that the first name? I'm sorry.

10 MS. JORDAN: How does this work?

11 MODERATOR GRANT: It should be on, just put it
12 close to you. Yes, it should be.

13 MS. JORDAN: Now, can you hear me?

14 MODERATOR GRANT: Please start.

15 MS. JORDAN: Okay.

16 MODERATOR GRANT: Please give us your name before
17 you start.

18 MS. JORDAN: My name is Susan Jordan and I'm the
19 Director of the California Coastal Protection Network. I've
20 worked closely with Mayor Stern on this issue, and our
21 organization has put together an organized presentation that
22 will address the most serious and egregious legal
23 deficiencies in the Revised Draft Environmental Review
24 document.

25 We're happy the State Land saw fit to recirculate

1 this document in its entirety, because the original EIR
 2 relied heavily on information supplied by BHP, and it
 3 erroneously concluded that the project would not result in
 4 significant impacts to air quality or views, and it's safety
 5 impacts would be limited.

6 Thanks to input from the public, this EIR has been
 7 revised to include new analyses, and now admits that impacts
 8 to air quality, views, and public safety will be significant
 9 and cannot be mitigated.

10 Specifically, we note a significant expansion of
 11 the hazard exclusion zone, which has roughly quadrupled in
 12 size. But we are not please to note that the DEIR fails to
 13 replicate a worst-case scenario, as had been done in the
 14 earlier version.

15 Unfortunately, this Revised EIR continues to omit
 16 and understate many adverse impacts that will be borne,
 17 disproportionately, by communities in Los Angeles, Ventura,
 18 and Santa Barbara Counties.

19 When viewed in the context of the ill-gotten
 20 exemptions from environmental laws, that BHP has lobbied
 21 hard and at great expense, I'm talking millions of dollars
 22 here, to receive, and one example would be the Coast Guard
 23 conformity determination that fails to address 95 percent of
 24 the polluting nox emissions that this project will generate.

25 It is clear that this giant, international

T002-56

The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C. Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results.

The Independent Risk Assessment (IRA), which was independently reviewed by the U.S. Department of Energy's Sandia National Laboratories, evaluates the consequences of a potential vapor cloud (flash) fire, as discussed in Section 4.2.7.6 and the IRA (Appendix C1). The IRA determined that the consequences of the worst credible accident involving a vapor cloud fire would be more than 5.7 NM from shore at the closest point, as summarized in Table 4.2-1. Figure 2.1-2 depicts the maximum distance from the FSRU in any direction that could be affected in the event of an accident. The shape and direction of the affected area within the circle depicted in Figure 2.1-2 would depend on wind conditions and would be more like a cone than a circle, but would not reach the shoreline. Although the 2006 Sandia National Laboratories third-party technical review of the 2004 IRA found that the three-tank simultaneous release (a massive LNG release in a short time period) was not credible, this scenario was added with Sandia's concurrence based on the results of its analysis (see Tables 4.2-1, 4.2-2, 4.2-7, and 4.2-8).

T002-56

T002-57

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures. Section 4.6.2 presents a revised discussion of the applicability of the General Conformity rule and Appendix G4 contains additional information on this topic.

T002-57

T002-58

Section 2.1 contains information on design criteria and specifications, final design requirements, and regulations governing the construction of the FSRU. The Cabrillo Port must be designed in accordance with applicable standards, and the U.S. Coast Guard has final approval. Section 4.2.4 contains information on Federal and State agency jurisdiction and cooperation. The Deepwater Port Act specifies regulations that all deepwater ports must meet; Section 4.2.7.3 contains information on design and safety

T002-58

standards for the deepwater port. Section 4.2.8.2 contains information on pipeline safety and inspections. Impact EJ-1 in Section 4.19.4 addresses additional pipeline design requirements in areas of low-income and minority communities. The EIS/EIR's analyses have been developed with consideration of these factors and regulations and in full conformance with the requirements of NEPA and the CEQA.

T002-58 Continued

61

1 conglomerate is not being held to the rigorous standard of
2 environmental review that California is best known for.

3 The residents of Malibu now grasp the scale and
4 complexity of the LNG terminal design that BHP Billiton is
5 proposing. It was long depicted as an Oxnard project, but
6 it's now clear to everyone that the project's nearest
7 landfall is far closer to Malibu than Oxnard. Oxnard is
8 where the pipes go, but both Oxnard and Malibu will be the
9 recipients of the harmful emissions this project will
10 generate 365 days a year for at least the next 40 years, and
11 likely well beyond. This license has no expiration date.

12 In terms of scale, at three football fields
13 long --

14 MODERATOR GRANT: Ms. Jordan, your time is up.

15 MS. JORDAN: -- and over 14 stories high, it will
16 be the largest industrial structure ever permitted off the
17 California coast.

18 MODERATOR GRANT: Ms. Jordan, could you end your
19 comments, please?

20 MS. JORDAN: We have handouts outside, pick them
21 up, they have a lot of information. I'll now turn it over
22 to EDC. Thank you.

23 (Applause.)

24 MODERATOR GRANT: The next speaker is Karen Kraus.
25 Ms. Kraus, please state your name and begin your comments.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-58
Continued

T002-59

T002-59

As indicated in Table 2.1-2 of the Revised Draft EIR, the FSRU would be located 12.05 NM (13.9 miles or 22.3 km) offshore of the Malibu City limits (at the coastline and eastern boundary of Leo Carrillo State Beach).

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T002-60

Section 4.4 contains information on aesthetic impacts.

T002-60

62

1 MS. KRAUS: My name is Karen Kraus and my
 2 testimony tonight will focus on air quality issues and, in
 3 particular, the Cabrillo Port project impacts to onshore
 4 smog levels.

5 Smog is one of the most significant air quality
 6 problems confronting Los Angeles County. When we and our
 7 children are told to stay inside because of unhealthy air
 8 quality, it's because of smog and its serious health
 9 effects. Smog irritates our respiratory system, reduces
 10 lung function, and aggravates asthma, and it's especially
 11 unhealthful to children.

12 A recent study in Southern California found that
 13 children in high smog areas develop asthma at a rate three
 14 times higher than average.

15 The EIR estimates that the Cabrillo Port project
 16 would generate 280 tons per year of smog-producing air
 17 pollutants.

18 Our air quality expert has reviewed the EIR and
 19 concluded that this is likely an under-estimate of the
 20 emissions.

21 In particular, the EIR contains some serious flaws
 22 in its estimate of emissions from marine vessels. For
 23 example, although the LNG carriers will have engines of
 24 60,000 horsepower, the assumption used to calculate the
 25 amount of air pollutants emitted by the carrier engines are

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-61

Thank you for the information.

T002-62

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T002-61

T002-63

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 contains revised information on Project impacts and mitigation measures. These revisions address the concurrent emission of ozone precursors from the FSRU and Project vessels.

T002-62

T002-63

T002-63 Continued

63

1 based on tests for much smaller engines. The largest of
2 these smaller engines, 4,200 horsepower.

3 Another flaw is that the emissions estimated from
4 marine vessels only include emissions that would occur
5 within 25 miles of the coastline. This happens to be the
6 same range within which BHP has promised to use natural gas
7 to power its vessels.

8 Beyond 25 miles, though BHP may be using primarily
9 diesel fuel and, as we all know, diesel fuel generates
10 significantly higher smog-producing emissions.

11 But even if we set these flaws aside for a moment
12 and just accept the EIR at face value, the EIR, itself,
13 estimates that offshore emissions would far exceed CEQA's
14 significant thresholds for smog-producing pollutants.

15 For L.A. County, this threshold is 55 pounds per
16 day. According to the EIR, the total offshore emissions in
17 this category would be 1,268 pounds per day, 23 times higher
18 than the threshold.

19 These offshore emissions will, without question,
20 blow onshore and will contribute to your smog problem.

21 Normally, the only way a project with such
22 significant emissions could proceed is if the applicant
23 obtained mitigation or offsets for all their project
24 emissions.

25 But the only offshore emissions the EIR currently

T002-63
Continued

T002-64

T002-64

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. LNG carriers associated with the Project would operate on natural gas (boil-off gas from the LNG cargo) with 1 percent diesel pilot during all operations in California Coastal Waters. Section 4.6.1.3 contains information on emissions from LNG carriers operating in California Coastal Waters, as defined by the California Air Resources Board.

T002-65

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T002-65

T002-65 Continued

64

1 identifies as mitigated are those associated with the FSRU,
 2 or the port, nothing with the marine vessels, even though
 3 the marine vessel emissions actually dwarf the FSRU
 4 emissions, they're twice as high.

5 In sum, the EIR under-estimates the emissions from
 6 this project. But even the emissions that are identified
 7 are not adequately mitigated.

8 And I'd just like to add a quick footnote. BHP
 9 issued a press release today, touting a new emissions
 10 reduction program. Now, a publicity piece is not going to
 11 give you too much information, but it looks like the largest
 12 reductions identified are already part of the project
 13 description. If they're not, if these are new changes, then
 14 the EIR needs to be recirculated so that the public can
 15 reevaluate these parts of the project. Thank you.

16 (Applause.)

17 MODERATOR GRANT: Amber Tysor.

18 MS. TYSOR: Hi, my name is Amber Tysor, I'm a law
 19 clerk at EDC, and a law student.

20 The proposed Cabrillo Port facility will have
 21 significant adverse effects on our ocean's water quality.
 22 According to the Revised Draft Environmental Report, the
 23 proposed facility will continuously discharge 6.3 million
 24 gallons of high-temperature waste water to the ocean each
 25 day, which is 2.3 billion gallons per year. These

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-65
Continued

T002-66

The lead agencies have reviewed the NEPA CEQ Guidelines and the State CEQA Guidelines concerning recirculation and have determined that the changes to the proposed Project and associated information that has been included in the document since the Revised Draft EIR was recirculated in March 2006 do not meet the criteria listed specifically in section 15088.5(a)(1-4) of the State CEQA Guidelines; therefore, the lead agencies believe recirculation is unwarranted.

T002-67

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. A closed loop tempered water cooling system, which recirculates water, would be used instead of a seawater cooling system, except during annual maintenance (four days for the closed loop tempered water cooling system, and four days for the Moss tanks when the inert gas generator [IGG] would be operating).

T002-66

Because seawater would only be used as non-contact cooling water during these maintenance activities, the volume of seawater used would be greatly reduced. Seawater would also be used for ballast. Section 2.2.2.4 describes the proposed seawater uptakes and uses for the FSRU. Appendix D5 describes seawater intakes and discharges during Project operations, and Appendix D6 describes the closed loop water system and provides thermal plume modeling analysis of discharges from the backup seawater cooling system.

T002-67

When either the backup seawater cooling system or the IGG are operating, the temperature of the discharged seawater would be elevated above ambient temperatures no more than 20°F at the point of discharge and would be 1.39°F at 300 m from the point of discharge during the worst case scenario. These thermal discharges would comply with the California Thermal Plan (see Sections 4.7.4 and 4.18.4 and Appendix D6).

T002-67 Continued

65

1 discharges will be at 30 degrees Fahrenheit above the
2 ambient ocean temperatures.

3 This thermal waste comes from ocean water used to
4 cool five onboard electric generators.

5 The EIR misleads the public by stating that these
6 thermal discharges are only slightly elevated. The EIR
7 fails to disclose that these high-temperature discharges
8 would violate both State and Federal environmental laws.

9 Thermal discharges, 30 degrees Fahrenheit above
10 the natural temperature of receiving waters, violates the
11 California Thermal Plan, which limits thermal discharges to
12 no more than 20 degrees Fahrenheit above ambient levels.

13 Additionally, these thermal discharges would
14 violate the U.S. EPA's ocean discharge criteria regulations,
15 which require the agency to consider the vulnerability of
16 biological communities exposed to high-temperature
17 discharges, including the effects of discharges on
18 endangered and threatened species, and the effects on
19 species critical to the food chain, such as plankton.

20 Plankton will be killed due to the high-
21 temperature thermal discharges and this may, in turn,
22 decrease food availability for marine life.

23 Furthermore, the water quality section is also
24 inadequate in several other respects. The EIR fails to
25 explain how gray water would be treated prior to discharge

T002-67
Continued

T002-68

"Wastewater Treatment and Discharge" in Section 2.2.2.6 and
Impact WAT-5a in Section 4.18.4 contain information on the
amount of gray water that would be discharged. Gray water would
be discharged from the FSRU in accordance with a facility-specific
NPDES permit issued by the USEPA.

T002-68

T002-68 Continued

66

1 into the ocean, and does not describe the amount of gray
 2 water discharges, which contain contaminants, such as
 3 detergents, cleaners, oil and grease, metals, nutrients, and
 4 other pollutants.

5 The EIR also downplays the negative impact on
 6 water quality from the release of drilling fluid along the
 7 23-mile pipeline route, and fails to adequately explain
 8 measures to prevent the release of drilling fluid.

9 The water quality section also fails, completely
 10 fails to assess the significant impacts that could result
 11 from the increase in shipping traffic associated with the
 12 proposed project.

13 Numerous vessels will be used for construction of
 14 the mooring system and pipeline installation. And for 40
 15 years or more there will be hundreds of tugboat transits and
 16 LNG carrier trips each year. Each and every one of these
 17 vessel trips increases the potential for significant
 18 degradation to water quality through discharges of
 19 petroleum, sewage, gray water, bilge water, and deck wash-
 20 down water. And, therefore, these vessel trips must be
 21 assessed in the EIR.

22 All of these discharges to our ocean will not only
 23 impact water quality, but will negatively impact our
 24 sensitive ocean biological community, including ecologically
 25 and economically significant marine resources. Thank you.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-68
Continued

T002-69

Section 2.7 of the Revised Draft EIR contains information on how the pipelines would be installed. Drilling fluids would only be used for the installation of the shore crossing, which is described in Section 2.6. Appendix D1 contains information the Drilling Fluid Release Monitoring Plan for the shore crossing.

T002-69

T002-70

Section 2.1 contains information on the regulations that the LNG carriers must meet under Vessel Standards Certificates of Class including the International Convention for the Prevention of Pollution from Ships. Section 4.18.2 contains information on the regulations with which BHPB would comply to treat, discharge, and/or dispose of wastes and wastewaters. Section 4.18.4 contains additional information on this topic. Impacts WAT 5a and 5b have been revised to include service vessels.

T002-70

T002-71

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-71

(Applause.)

MODERATOR GRANT: Shiva Polefka. Shiva Polefka.

Could you please say and spell your name for the record?

MR. POLEFKA: My name is Shiva Polefka, that's spelled S-h-i-v-a P-o-l-e-f-k-a.

MODERATOR GRANT: Thank you.

MR. POLEFKA: As I said, my name is Shiva Polefka, and I'm the Marine Conservation Analyst for the Environmental Defense Center in Santa Barbara.

With respect to the marine biological resources section of the Revised Draft EIR and the marine biological resources of our region, the impact analysis is far from sufficient. Both the day-to-day operations and the catastrophic incident scenarios described within the report have significant negative implications for the region's biodiversity, from the smallest zooplankton to the largest whale species.

The report fails to provide critical site-specific data on zooplankton concentrations and attempts to downplay the impacts of Cabrillo Port's billions of gallons of seawater intake on marine life by comparing its intake volumes, arbitrarily, to a proportionately huge area of ocean and to coastal power plants that have higher rates of intake.

These comparisons are irrelevant to the harm that

T002-72

Section 4.7.4 contains information on potential impacts on marine biological resources and mitigation measures to address such impacts.

T002-73

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. The previously proposed FSRU generator engine cooling system used seawater as the source of cooling water for the four generator engines. The Applicant now proposes using a closed tempered loop cooling system that circulates water from two of the eight submerged combustion vaporizers (SCVs) through the engine room and back to the SCVs, which reduces the seawater intake volume by about 60 percent. The seawater cooling system would remain in place to serve as a backup system during maintenance of the SCVs or when the inert gas generator is operating. Section 2.2.2.4 contains a description of the proposed uptakes and water uses for the FSRU.

T002-72

Section 4.7.4 contains information on uptake volumes and potential impacts of seawater uptake and discharge on marine biota, including ichthyoplankton from intake of seawater and, from thermal discharges of cooling water. The ichthyoplankton impact analysis (Appendix H1) includes both literature results and data from California Cooperative Oceanic Fisheries Investigations (CalCOFI) surveys. CalCOFI surveys have been consistently collected over a period of time and are the best scientific data currently available.

T002-73

T002-73 Continued

68

1 Cabrillo Port will cause to the marine ecology and must be
 2 substituted for site-specific surveys and real mitigation
 3 measures to reduce impacts.

4 Similarly, the subsequent discharge of the
 5 seawater as hot water waste, as Amber described, also may
 6 have serious implications that are not fully revealed in the
 7 report. It is known to impact a full suite of critical
 8 biological functions for an array of marine species,
 9 including rock fishes and numerous other commercially
 10 important fisheries, as well as zooplankton.

11 The Revised DEIR also contains a serious oversight
 12 with respect to marine mammal species that inhabit a
 13 proposed project area, specifically the endangered Blue and
 14 Humpback Whales.

15 According to marine mammal expert, Dr. John
 16 Calambokidis, who know of fisheries relies upon for its own
 17 whale stock assessments, the DEIR is finding that these two
 18 species are "very unlikely to occur in the project area," is
 19 simply incorrect. And, in fact, Blue Whale presence should
 20 be expected at the proposed project site.

21 The Revised DEIR acknowledges the whales and
 22 dolphins in the area will be subject to significant
 23 underwater noise from ongoing project activities, and even
 24 subject to freezing and burning to death in the event of
 25 spills or fires.

T002-73
Continued

T002-74

Sightings of both blue and humpback whales off the coast of California are summarized in Section 4.7 and presented in detail in surveys cited in Carretta et al. (2002 and 2005), which are used as sources for Section 4.7.

The closest sightings of humpback whales made during these surveys appear to be off San Nicolas Island and north of the Santa Cruz Passage, between Santa Cruz and Santa Rosa islands. Such sightings lie a considerable distance from the proposed FSRU site. The closest sighting to the proposed FSRU site for blue whales appears to have been made off the mainland coast east of Anacapa and west of Malibu, which is also a considerable distance from the proposed FSRU site.

T002-74

The sighting data from numerous surveys indicate that the area near the FSRU site has not been favored by either species. This does not suggest that the presence of such species near the FSRU site is impossible, but rather that such whales are not likely to be encountered close enough to the FSRU site to be adversely affected. However, other areas that may include potential LNG carrier routes, as noted in Section 4.7, may be favored by these species.

1 In light of Dr. Calambokidis's assessment, the
 2 Revised DEIR appears to lack vital site-specific
 3 environmental data, instead relying dangerously on
 4 extrapolation and assumption.

5 I'd also like to touch briefly on the profound
 6 impacts to the Malibu area's coastal views, that the
 7 Cabrillo Port will cause, essentially a core alteration of
 8 this area's ocean character.

9 If allowed, the Cabrillo Port will be visible from
 10 the town's coastal bluffs, the hiking trails, and the Santa
 11 Monica Mountains. It will become a permanent feature in the
 12 ocean vistas at the Channel Islands National Park, and it
 13 will establish a looming industrial presence in the views of
 14 South Coast boaters navigating offshore who,
 15 incidentally -- thank you for your time.

16 MODERATOR GRANT: Thank you.

17 (Applause.)

18 MODERATOR GRANT: Alicia Roessler.

19 MS. ROESSLER: Good evening, my name is Alicia
 20 Roessler, and I'm a staff attorney for EDC.

21 My comments tonight will focus on four
 22 deficiencies in the analysis of the safety impacts disclosed
 23 in the Revised Draft EIR.

24 First, when we testified before you in 2004, we
 25 pointed out that the renowned LNG expert, Dr. Tom Spicer,

T002-75

T002-75

Section 4.7.6 contains the references upon which the EIS/EIR relies, which include published observations and surveys pertaining to the Project area.

T002-76

T002-76

Section 4.4 and Appendix F contain information on visual resources, impacts, and mitigation. Appendix F describes how visibility from various distances was evaluated and provides additional simulations prepared for viewpoints at elevated sites along the Malibu coastline and inland areas.

T002-77

Thank you for the information.

T002-77

T002-77 Continued

70

1 concluded from his analysis that the Draft EIS/EIR severely
2 under-estimated the consequences of an LNG accident by as
3 much as a factor of four, by using the wrong model.

4 As a result, the 2004 Draft EIS/EIR estimated that
5 a worst-case scenario, involving all three LNG storage tanks
6 on the port would result in serious injuries at a maximum
7 distance of 1.6 miles from the port.

8 Coincidentally, this distance was less than BHP
9 Billiton's area to be avoided, of 2.3 miles, which is also
10 the same distance from the port to the shipping lanes.

11 In response to Dr. Spicer's comments, the new EIR
12 now admits that a vapor cloud fire, caused from an LNG
13 release, from just two of the three LNG storage tanks, would
14 result in a fire that extends 7.3 miles long and could
15 encompass the entire area of the shipping lanes that serve
16 the largest ports on the West Coast.

17 Second, while we are pleased that the LNG spill
18 distances are now more accurately reflected, we are appalled
19 that this information has not changed any of the applicant's
20 proposed distances for either the exclusion zone of 500
21 meters, or the area to be avoided of just 2.3 miles.

22 Instead, these distances remain fixed and there's
23 no effective mitigation proposed to protect the public's
24 health and safety from an LNG explosion or fire.

25 For example, the solution proposed in the EIR is

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-77
Continued

T002-78

The safety zone would extend in a circle a maximum of 500 meters from the stern of the FSRU. The area to be avoided (ATBA) would surround the safety zone, but would not extend as far as the coastwise traffic lanes (see Figure 4.3-4 and Sections 2.2.4 and 4.3.1.4).

Section 4.3.1.4 states, "The ATBA is considered by the USCG to be a recommendatory routing measure. Mariners could choose whether to avoid this area. Mariners would not be penalized for entering this area, nor would any action be taken to require them to leave the area. A vessel transiting the ATBA would be requested to restrict its speed to no more than 10 knots (19 km/hour) and to check in and out with the Cabrillo Port vessel operations manager. Both the speed limit restriction and contact with the Cabrillo Port vessel operations manager would be voluntary actions by mariners in vessels transiting the ATBA." Therefore, vessel traffic in the traffic lanes would not be affected by the safety zone or the ATBA (see Section 4.3.4). The safety zone could not be made any larger because its size is governed by international law.

T002-79

The Project is regulated by the USCG and MARAD under the authority of the Deepwater Port Act. FERC's regulations are prescriptive and standardized to address the general siting of onshore LNG terminals. In contrast, due to various different designs of deepwater ports, the USCG conducts site-specific independent risk and consequence analyses using the most recent guidance and modeling techniques. The guidance used for Cabrillo Port is Sandia National Laboratories' "Guidance on Risk Analysis and Safety Implications of a Large Liquefied Natural Gas (LNG) Spill Over Water." This report recommends a framework for analyses of large LNG spills onto water. It was prepared for the U.S. Department of Energy (DOE), and an external peer review panel evaluated the analyses, conclusions, and recommendations presented. See also responses to Dr. Spicer's 2006 Comment Letter P464.

T002-78

T002-79

As discussed in Section 4.2.7.6, the IRA determined that the greatest distance from the FSRU within which public impacts would occur is 6.3 NM (7.3 miles or 11.7 km), which would result from the intentional breach of two Moss tanks. This hazard distance encompasses the TSS shipping lanes, but extends no closer than 5.71 NM from the nearest mainland landfall. The hazard to the

shipping lane would occur about 30 minutes after the initiating event, which could allow for notification and response, such as moving away from the accident or sheltering in place. The exposure time within the shipping lane would be for about another 30 minutes until the vapor cloud dispersion falls below the lower flammability limit. An average of three vessels would be exposed to this vapor cloud hazard based on marine traffic frequency estimates.

This scenario may overestimate the hazard because even though the release of the two full tanks is assumed, this may not occur. In addition, Sandia's model showed a significantly smaller dispersion distance (about 7,000 m instead of roughly 11,000 m). Further, it is highly likely that if the LNG were released, it would result in a pool fire instead of vapor cloud dispersion or a vapor cloud (flash) fire. The robust structure of the Moss tanks and double-hulled FSRU, and the nature of the events that could produce this scenario (such as a deliberate attack with various types of weapons or aircraft) make it likely that an ignition source would be present. Because an exceptionally large amount of force is needed to damage an LNG tank, and because the amount of energy required to breach containment is so large, in almost all cases a fire would result from this type of terrorist attack.

However, a conservative approach was taken and accordingly Impact MT-4 in Section 4.3.4 contains information on the impacts that an incident at the FSRU could have on marine traffic in the shipping lanes and, contrary to the comment, proposes the mitigation that would reduce potential impacts.

AM PS-2a, AM PS-1a, AM PS-1b, AM PS-1c, AM PS-1d, AM MT-3a, AM MT-3b, AM MT-3c, AM MT-3d, and AM MT-3e are measures the Applicant has incorporated into the proposed Project. MM PS-1e, MM PS-1f, MM PS-1g, MM-3b, MM MT-3f, MM MT-3g, and MM MT-3h are mitigation measures that address these potential impacts. If an incident were to occur, the Applicant would initiate emergency shutdown procedures and use all of their available communication devices on the FSRU and other Project vessels to immediately notify vessels in the area, including hailing and Securite broadcasts. Ideally, such warnings would allow vessels in the area to undertake evasive maneuvers to avoid or minimize potential harm. As stated in Section 4.3.4, "[i]f an accident were to occur, there would be unmitigable impacts on public safety (Class I); however, the impact on marine traffic would be reduced to a level that is below the marine traffic significance criteria (Class II)."

With respect to relocating the FSRU as mitigation, insufficient

technical information is available to: (1) establish that such relocation is feasible within the meaning of section 15364 of the State CEQA Guidelines; or (2) determine pursuant to the requirements of section 15126.4(a)(1)(D) of the State CEQA Guidelines, whether such mitigation "...would cause one or more significant effects in addition to those that would be caused by the project as proposed..."

T002-79 Continued

71

1 that vessels could simply be notified that within 28 minutes
2 a seven-mile long fire would be coming their way.

3 The visibility of three or more supertankers
4 trying to quickly steer their way out of a fire that extends
5 over seven miles long is ludicrous and simply infeasible.

6 Now that the impacts are disclosed, the EIR must
7 consider feasible mitigation measures, such as moving the
8 port at least 7.3 miles from the edge of the shipping lanes.

9 Third, the EIS fails to examine and model a
10 scenario for a true terrorist event that would involve all
11 three LNG storage tanks.

12 In contract to the 2004 EIS/EIR, only a two tank
13 worst credible scenario is modeled. The risk from a true
14 worst case scenario involving all three storage tanks would
15 likely extend even farther than the 7.3 miles predicted in
16 the EIR.

17 This information should not be withheld from the
18 local community.

19 Fourth, and finally, BHP Billiton's safety
20 consultant, Dr. Kubling, was a member of the external peer
21 review panel for Sandia's December report. This kind of
22 unobjective input, because --

23 MODERATOR GRANT: Please end your comments.

24 MS. ROESSLER: Thank you very much.

25 MODERATOR GRANT: Thank you.

T002-79
Continued

T002-80

NEPA does not require "worst-case analysis" but does require the agency to prepare a summary of existing relevant and credible scientific evidence and an evaluation of adverse impacts based on generally accepted scientific approaches or research methods. However, the Independent Risk Assessment (IRA) (Appendix C1) defines and evaluates representative worst credible cases (scenarios of events that would lead to the most serious potential impacts on public safety). These included accidents that would affect one, two, or all three tanks of the FSRU.

As shown in Tables 4.2-1, 4.2-2, 4.2-7, and 4.2-8, the release of the contents of all three tanks (the entire contents of the FSRU and an attending LNG carrier) is addressed in the escalation scenario associated with a large intentional event. Section 4.2.7.6 contains additional information on how intentional events are addressed. Although the 2006 U.S. Department of Energy's Sandia National Laboratories third-party technical review of the 2004 IRA found that the three-tank simultaneous release (a massive LNG release in a short time period) was not credible, Sandia recommended the consideration of a cascading (escalation) three-tank scenario.

T002-80

T002-81

Dr. Koopman was the principal investigator for the Burro tests while employed by the U.S. Department of Energy's Lawrence Livermore National Laboratory. By definition, an external peer reviewer is someone who is not employed by the organization whose work is reviewed, and Dr. Koopman's role as a peer reviewer of the Sandia Guidance document was completed before the U.S. Department of Energy's Sandia National Laboratories was retained by the USCG. The USCG determined that his participation as a member of the External Peer Review Panel for the Sandia 2004 report did not pose a conflict with the review of the IRA in 2005 by the U.S. Department of Energy's Sandia National Laboratories.

T002-81

Dr. Koopman did not work on the IRA (Appendix C), or the review of the IRA associated with the proposed Project, which was conducted by the U.S. Department of Energy's Sandia National Laboratories.

(Applause.)

MODERATOR GRANT: Linda Krop.

MS. KROP: Thank you, good evening. My name's

Linda Krop, I'm Chief Counsel for the Environmental Defense Center.

Clearly, this project will have significant impacts on our coast. Unfortunately, it is impossible to ascertain all of the impacts to the project because the EIR still does not state where the gas will come from or what fuel the tankers will run on.

In fact, the gas may come from Indonesia, in which case it will contain hot gas, which will result in greater nox emissions, thus increasing smog from the project and violating air quality standards for the South Coast Air District, which includes Malibu.

Furthermore, changing the chemical makeup of the gas could increase the risk of an explosion of the FSRU and cause leaks and safety impacts along the pipeline route.

In addition, running the LNG tankers partially on diesel fuel would increase air pollution impacts.

Furthermore, if you look at the full supply chain, which includes producing the gas, liquefying it and transporting it thousands of miles overseas, and then regasifying it offshore California, you can see that this project will have even greater impacts, including impacts on

T002-82

Section 4.7.4 contains revised text on potential impacts on marine biological resources and mitigation measures to address impacts. Project impacts on coastal ecosystems would be limited to the pipeline corridor during construction and operation (see Section 2.1). The shore crossing required for the proposed Project would be installed beneath Ormond Beach (see Sections 2.3.2 and 2.6.1). The EIS/EIR identifies potential adverse environmental effects of the proposed Project. The mitigation measures identified in Chapter 6 are designed to minimize or avoid potential environmental impacts from the construction or operation of the proposed Project. In order to receive a license from MARAD, and a lease from the CSLC, the Applicant must agree to implement the mitigation measures identified in the EIS/EIR and any other conditions that may be specified in the license and/or lease.

T002-82

T002-83

T002-83

Sections 1.3 and 2.2.1 discuss potential sources of natural gas that would be imported for the proposed Project. Section 1.3 is revised to include information on Indonesian and Malaysian environmental requirements that would regulate impacts related to the production and exportation of natural gas. All three countries, Australia, Indonesia, and Malaysia, have existing LNG liquefaction facilities. Due to global demand for natural gas, it is expected that viable gas fields in these countries will be developed to meet that demand, regardless of whether this Project proceeds. Accordingly, environmental impacts associated with natural gas development in Australia, Indonesia, and Malaysia, and any corresponding environmental impacts in those countries, are not a consequence of this Project and are not evaluated in the EIS/EIR.

T002-84

T002-85

T002-84

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. LNG carriers associated with the Project would operate on natural gas (boil-off gas from the LNG cargo) with 1 percent diesel pilot during all operations in California Coastal Waters. Section 4.6.1.3 contains information on emissions from LNG carriers operating in California Coastal Waters, as defined by the California Air Resources Board.

T002-85

As stated in Section 4.6.4, in addition to regulated air pollutants, the Project would generate emissions of the greenhouse gases CO₂ and methane (natural gas). The CO₂ emission coefficient for natural gas is 117. Coal (approximately 78 percent carbon) and oil (approximately 85 percent carbon) have higher carbon contents

(more pounds of carbon per MMBtu) than natural gas (approximately 75 percent carbon), which leads to greater carbon emissions when combusted (more tons of CO₂ per megawatt hour produced). For comparison, the CO₂ emission coefficient for No.2 fuel oil and anthracite coal are 161, and 227 pounds of CO₂ per MMBtu, respectively.

If the proposed Cabrillo Port Project is not approved, SoCalGas may obtain its gas from elsewhere in North America. In this scenario, the combustion would occur anyway, i.e., would be in the baseline scenario. In the absence of the Cabrillo Port Project, it is also highly unlikely that the natural gas would be left in the ground in Western Australia; it would likely be extracted, liquefied, transported, and sold elsewhere. For the proposed Cabrillo Port Project, the additional life cycle emissions that can be attributed specifically to the Project would be only the portion of those emissions that would be generated by transporting the LNG across the Pacific Ocean to the Cabrillo Port facility. If the LNG were imported into a different receiving facility in California, the GHG emissions would be the same as those of the proposed Project.

T002-85 Continued

73

1 global warming.

2 Scientists around the world are in agreement that
3 global warming has emerged as one of the primary threats, if
4 not the primary threat to our environment and our future,
5 and we may be nearing the point of no return.

6 Our State and Country must do everything we can to
7 reverse this trend. We must reduce greenhouse gas
8 emissions, not increase them.

9 Importing LNG, a fossil fuel, will result in
10 increased global warming impacts above and beyond using
11 domestic gas, which does not have to be liquefied,
12 transported, and regasified.

13 Fortunately, we do not need to import this LNG.
14 Contrary to the statements in the EIR, clean alternatives,
15 such as energy conservation, efficiency, and renewable
16 supplies can provide over three times the amount of energy
17 that would be supplied by this project.

18 Unfortunately, the EIR fails to analyze these
19 alternatives, stating that they will occur with or without
20 LNG. However, making the commitment to import LNG is a
21 commitment to a polluting source of energy that will
22 actually interfere with our State's ability to meet its
23 long-standing goals for renewable energy and its newly
24 stated goals for reducing greenhouse gas emissions.

25 The EIR also fails to consider sources of domestic

T002-85
Continued

T002-86

Sections 1.2, 3.1, 3.2, 3.3.1, 3.3.2, 3.3.3, contain information on the range of alternatives evaluated. Sections 4.10, and 4.10.1.3 contain information on California's Energy Action Plan, including the roles of energy conservation and renewable energy. Under NEPA and the CEQA, a reasonable range of alternatives must be considered. NEPA requires consideration of a "reasonable" number of alternatives. In determining the scope of alternatives, the emphasis is on "reasonable." "Reasonable" alternatives include those that are practical and feasible from the technical and economic standpoint and using common sense (CEQ 40 Questions; #2a). The information must be sufficient to enable reviewers and decision-makers to evaluate and compare alternatives.

The State CEQA Guidelines section 15126.6(a) provides, in part, "An EIR shall describe a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives. An EIR need not consider every conceivable alternative to a project."

T002-86

The EIS/EIR initially evaluated 18 locations for the FSRU as potential locations for the deepwater port. It built on previous California Coastal Commission studies that evaluated nearly 100 locations. Sections 3.3.7 and 3.3.9 discuss alternate locations and technologies that were considered.

As discussed in Section 1.2.1, the California Energy Commission (CEC) and California Public Utilities Commission (CPUC) must "carry out their respective energy-related duties based upon information and analyses contained in a biennial integrated energy policy report adopted by the CEC." Section 1.2.1 also describes the public process that is used to develop the Integrated Energy Policy Reports to ensure that California's energy-related interests and needs are met. Section 1.2.3 discusses, in part, the CEC's and CPUC's conclusions within the state of California's Energy Action Plan II; Implementation Road Map for Energy Policies, for example, to diversify natural gas supply sources to include LNG.

T002-87

As indicated in Section 4.10.1.3, California Energy Action Plan, "To offset some of the demand for natural gas, California is increasing its energy conservation programs, will retire less efficient power plants, and is diversifying its fuel mix by accelerating the

Renewables Portfolio Standard. However, according to the State's 2005 Energy Action Plan, 'California must also promote infrastructure enhancements, such as additional pipeline and storage capacity, and diversify supply sources to include liquefied natural gas (LNG)' (CEC and CPUC 2005)." Contrary to the comment, the CEC has studied whether California needs to import LNG to meet its energy needs and concludes, as indicated above, that it does.

As also discussed in Section 4.10.1.3, the CPUC recently reaffirmed that both the State's Integrated Energy Policy Report and Energy Action Plan recognize the need for additional natural gas supplies from LNG terminals on the West Coast: "However, even with strong demand reduction efforts and our goal of 20% renewables for electric generation by 2010, demand for natural gas in California is expected to roughly remain the same, rather than decrease, over the next 10 years. This is because, a substantial portion of the other 80% of electric generation (not met by renewable energy sources) will need natural gas as its fuel source, and natural gas will still be needed for the growing number of residential and business customers of the natural gas utilities."

T002-87

As explained in Section 3.3.4, new or "[e]xpanded pipeline systems would not meet the Project objective of increasing the diversity of natural gas supplies to California. In addition, construction of new or expanded pipeline systems would have environmental consequences along whatever corridors were proposed. Therefore, new or expanded pipeline systems were not considered as alternatives to the proposed Project."

T002-87 Continued

74

1 natural gas as an alternative. For example, California
 2 could reinstate recently canceled contracts to buy gas from
 3 New Mexico and Texas.

4 In addition, the EIR fails to acknowledge that our
 5 nation's gas reserves are actually at an all-time high and
 6 that the oil and gas industry is manipulating supply in
 7 order to increase their profits.

8 Finally, and unbelievably, the EIR fails to
 9 compare this proposal to any of the other currently proposed
 10 LNG projects that could bring gas to California, including
 11 five in our State, three in Baja, and at least one in
 12 Oregon.

13 The EIR also fails to consider alternative
 14 technology, such as the energy bridge proposed by Woodside,
 15 which would reduce safety impacts and visual impacts.

16 Instead, the EIR narrowly limits the scope of
 17 alternatives, in violation of CEQA and NEPA, and ties the
 18 hands of the agency so that they do not have any real
 19 choices.

20 Due to these omissions, both the EIR and the EIS
 21 must be revised yet, again, and recirculate for public
 22 review. Thank you.

23 MODERATOR GRANT: The next grouping of names --
 24 the next grouping of names, Lucille Keller, Alan Schimpff,
 25 Tom Nielsen, William Doyle, and Barbara Burnett.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-87
Continued

T002-88

T002-89

T002-90

T002-88

Section 3.3.5 has been revised to include updated information the proposed and permitted Baja LNG facilities. The infrastructure associated with the Shell/Sempra Energia Costa Azul facility currently under construction, which will export natural gas to the U.S., was not analyzed further in this document because it is evaluated by the FERC and the CSLC in a Joint EIS/EIR for the North Baja Expansion Project (FERC Docket No. PF05-14-000, SCH# 2006081127). Section 3.3.5 discusses Sempra's proposed expansion of its Costa Azul facility. To date, the expansion has not been permitted; therefore, it would be speculative to evaluate this portion of the project.

It is also more accurate to say that the lead agencies, as indicated in Section 3.3.5, "...determined that a Northern Baja site was not a reasonable alternative as defined under NEPA and the CEQA and that further analysis was therefore inappropriate and unwarranted." Further, as indicated in Section 3.4.1, No Action Alternative, "It is also likely that other LNG or natural gas-related projects over which the lead agencies have no or partial jurisdiction, e.g., pipelines, would be proposed and pursued should the No Action Alternative be selected (see Section 3.3.5)."

T002-89

Section 3.3.8.3 discusses this technology.

T002-90

Both NEPA and the CEQA require the consideration of alternatives to a proposed project. A lead agency's lack of jurisdiction over a potential alternative is one factor that it may consider in determining if a potential alternative is feasible, reasonable, and merits detailed study in an EIS/EIR. Whether a potential alternative is purely hypothetical or speculative, or whether the potential alternative can be accomplished in a successful manner in a reasonable period of time are additional factors the lead agency may consider in assessing the feasibility and reasonability of the potential alternative.

From a NEPA perspective, while a Federal agency must analyze "a range of reasonable alternatives" (as opposed to any and all possible alternatives), and may be required to analyze an alternative that is outside the capability of an applicant and that is outside the jurisdiction of the agency, the threshold question in determining whether to analyze any alternative is whether that

alternative would be a "reasonable" alternative. Reasonable alternatives include those that are practical and feasible from the technical and economic standpoint and using common sense (CEQ 40 Questions; #2a).

To provide for an effective "hard look" at the alternatives the agency must limit the range to those alternatives that will best serve the environmental review process, and not needlessly examine and discuss in depth remote or speculative alternatives that that discussion does not facilitate a better decision making process. As stated in 40 CFR 1502.14(a), the EIS should "rigorously explore and objectively evaluate all reasonable alternatives, and for alternatives which were eliminated from detailed study, briefly discuss the reasons for their having been eliminated."

Section 15126.6(a) of the State CEQA Guidelines states, in part, "[t]he Lead Agency is responsible for selecting a range of project alternatives for examination and must publicly disclose its reasoning for selecting those alternatives." The California Supreme Court in the Citizens of Goleta Valley case recognized that while an agency's jurisdiction was only one factor to consider, "[t]he law does not require in-depth review of alternatives that cannot be realistically considered and successfully accomplished." In addition, the discussion in section 15364 in the State CEQA Guidelines states that "[t]he lack of legal powers of an agency to use in imposing an alternative or mitigation measure may be as great a limitation as any economic, environmental, social, or technological factor."

Chapter 3 discusses energy conservation, efficiency, and renewable sources of energy, and explains why these potential alternatives were not studied in detail in the EIS/EIR. The range of alternatives studied in detail is reasonable and conforms to NEPA and the CEQA requirements.

T002-91
Thank you for the information.

75

1 Please begin, Ms. Keller.

2 MS. KELLER: I am Lucille Keller.

3 MODERATOR GRANT: Please put the mike right next
4 to your mouth.

5 MS. KELLER: I am Lucille Keller, a 44-year
6 resident of Malibu. I represent the Malibu Township
7 Council.

8 MTC is a community organization whose members are
9 residents of greater Malibu, including the unincorporated
10 county, as well as the City of Malibu. For 59 years MTC has
11 supported beneficial causes and opposed detrimental
12 proposals that would affect the residents and environment of
13 Malibu, both on land and sea.

14 Many years ago, we were told that having a nuclear
15 power plant located on an earthquake fault, on Malibu's
16 immediate shoreline, would be beneficial to the entire area
17 and not detrimental to the community.

18 We, along with many others, strenuously opposed
19 that proposal and eventually prevailed. Malibu does not
20 have a nuclear power plant.

21 Now we are told that siting liquefied natural gas
22 terminals in the ocean, off Malibu's coastline, will be
23 beneficial to the greater community, will not present risks
24 of detrimental effects to coastal residents, or the
25 environment of the ocean or coast.

T002-91

T002-91 Continued

76

1 Yet, with each subsequent review of these
2 proposals, more substantial potential risks are revealed.

3 Our government examination of the proposal states
4 the port would result in both short and long-term adverse
5 impacts to the coast and its residents that cannot possibly
6 be mitigated.

7 Increased smog levels and the intrusion of a 14-
8 story high factory ship on Malibu's horizon were cited. The
9 new report acknowledges that its LNG terminal and its
10 attending fleet of ships would be visible from Pepperdine,
11 in Malibu, west to Port Hueneme.

12 At hearings in 2004, the possibility of terrorist
13 activity aimed at the report was raised. Such activity
14 could have disastrous effects on Malibu and on coastal
15 communities.

16 It is proposed to lay some 22 miles of undersea
17 pipeline through the sea, over an earthquake fault. How can
18 we be assured that if that fault ruptures, the pipeline will
19 remain intact.

20 MTC opposes this, and any other facilities off the
21 Malibu coast, that could adversely affect Malibu's
22 environment or residents. Thank you.

23 (Applause.)

24 MODERATOR GRANT: Alan Schimpff. And Mr.
25 Schimpff, could you please spell your name for the record?

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-91
Continued

T002-92

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.1.8 contains a detailed description of the marine climatic setting. Section 4.6.1.2 has been revised to provide an expanded discussion of the potential transport of offshore air pollutant emissions to onshore areas due to meteorological conditions. Section 4.6.4 contains revised analyses of the impacts on air quality from the emissions of criteria pollutants, ozone precursors, and toxic air pollutants from the FSRU and Project vessels.

T002-92

The air dispersion modeling analysis of the criteria air pollutant emissions from FSRU and Project vessel operational activities includes prediction of impacts at receptors located from the coastline to 2 miles inland spanning approximately 44 miles from Ventura to Malibu. Additional receptors were also placed along the coastline spanning approximately 38 miles from Malibu to the Palos Verdes Peninsula located directly south of Los Angeles.

T002-93

Section 4.4 and Appendix F contain information on visual resources.

T002-93

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks.

T002-94

T002-94

Section 4.11 contains information on seismic and geologic hazards and mitigation that specifically addresses the potential damage to proposed pipelines from a direct rupture along fault lines. Appendices J1 through J4 contain additional evaluations of seismic hazards.

T002-95

T002-95

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

77

1 MR. SCHIMPPFF: Yes, it's Alan Schimpff, S-c-h-i-m-
2 p-f-f.

3 I live at the corner of Harvester and Bush. My
4 partner and I, you know, we walk our dogs up the trail, up
5 the trail every morning. I lead hikes for the Sierra Club.
6 You know, we hike in the Santa Monica Mountains. Yesterday,
7 we were at the Mishe Mokwe Trail. You know, we hike it
8 extensively. And one thing that's for sure is that this is
9 going to be visible from our homes and from the hillside.
10 It's not something that is just going to be sitting there,
11 not visible, it's going to be very visible and we know that
12 it's going to be there.

13 So please, please consider the fact that it is
14 going to impact the views from Malibu. Not just from
15 Malibu, but also from anywhere where you can see the Channel
16 Islands, you know, this is going to be visible. Thank you.

17 (Applause.)

18 MODERATOR GRANT: Tom Nielsen. Tom Nielsen?

19 MR. NIELSEN: Yes, right here.

20 Well, my name is Tom Nielsen, I'm from Oxnard. My
21 statements are primarily on the CD-ROM that I just turned
22 in. But I'll just read briefly from my notes here.

23 California is a diverse and vibrant society, the
24 fifth largest economy in the world. California's population
25 is expected to exceed 40 million by the year 2010.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-96

Section 4.4 and Appendix F contain information on visual resources, impacts, and mitigation. Appendix F describes how visibility from various distances was evaluated and provides additional simulations prepared for viewpoints at elevated sites along the Malibu coastline and inland areas.

T002-96

T002-97

Mr. Nielsen's comments, and the responses to comments, are in 2006 Comment Letter P361.

T002-98

Thank you for the information.

T002-97

T002-98

1 California's economic prosperity and quality of life are
2 increasingly reliant upon dependable high quality and
3 reasonably priced energy,

4 California's principle energy agencies are joined
5 to create an energy action plan. It identifies specific
6 goals and actions to eliminate energy outages and excessive
7 price spikes in electricity and natural gas.

8 The goal of the energy plan is to insure that
9 adequate, reliable, and reasonably priced electrical power
10 and natural gas supplies, including prudent reserves, are
11 achieved and provided through policies, strategies, and
12 actions that are cost-effective and environmentally sound
13 for California's consumers and taxpayers.

14 The Energy Agency's intent is to achieve this
15 through six specific needs, one of them being to insure a
16 reliable supply of reasonably priced natural gas.

17 The State needs to guide development of energy
18 systems in the public's best, long-term interest to
19 anticipate potential problems and to make timely decisions
20 to resolve problems.

21 Specifically, the agency's committed to provide
22 decision-makers impartial assessment's of the State's
23 immediate and long-term electricity and natural gas demands,
24 resources and prices, license and, where necessary, fund
25 construction of new energy facilities that are consistent

T002-98
Continued

T002-98
Continued

1 with reliability, economic public health, and environmental
2 needs of the State, and to insure utilities are able to
3 carry out their obligation to serve, including having
4 adequate reserves, recognizing this is a critical component
5 of the current hybrid energy system.

6 The agencies will collaborate in partnership with
7 other state, local, and nongovernmental agencies, with
8 energy responsibility, in the California Energy Commission's
9 integrated energy planning process to determine the
10 statewide need for particular bulk transmission projects.

11 The agencies will pursue the following actions;
12 identify critical new gas transmission, distribution of
13 storage facilities needed to meet California's future needs,
14 and evaluate the net benefits of increasing the State's
15 natural gas supply options, such as liquefied natural gas.

16 While implementation of this action plan
17 represents a challenge, it is an important step for the
18 agencies, together, to help achieve the State's overall goal
19 of adequate, reliable, reasonably priced electrical power
20 and natural gas supplies.

21 This was adopted April 2003 by the CPUC, the CEC,
22 and the CPA. Thank you.

23 MODERATOR GRANT: William Doyle, followed by
24 Barbara Burnett.

25 Mr. Doyle, please begin.

T002-99
Thank you for the information.

80

1 MR. DOYLE: Good evening. My name is William
2 Doyle, I'm the Deputy General Counsel for the MEBA,
3 representing thousands of working family members in the
4 State of California and in Southern California. I
5 appreciate this opportunity to speak.

6 I particularly like the EIR with respect to
7 Sections 4.2.7.3 and 4.3.1.5.

8 MEBA will be submitting official comments on the
9 record during the two-week time extension.

10 I heard some comments, earlier, about a Cleveland
11 incident. The first LNG facility in the United States went
12 into effect in 1941. That operated for two years without
13 incident, until 1944.

14 MODERATOR GRANT: Mr. Doyle, please address the
15 Panel.

16 MR. DOYLE: Everybody needs to understand that the
17 failure in that LNG facility was based on World War II and
18 the metals that were used. The tank failed. Technology has
19 come a long way since then, 50 years since then.

20 (Audience comment.)

21 MODERATOR GRANT: Please address the Panel and
22 continue.

23 (Audience comment.)

24 MR. DOYLE: According to the Federal Energy
25 Regulatory Commission, the U.S. gas supply is expected to

T002-99

T002-99 Continued

81

1 increase by 40 percent by 2025.

2 However, domestic supply, which has not equaled
3 demand by many years, will only increase by 14.5 percent.

4 (Audience comment.)

5 MR. DOYLE: My organization is not a paid
6 consultant of BHP Billiton. We have working families that
7 we represent, working families who want to keep their energy
8 bills low. We support BHP Billiton and its project. Thank
9 you very much.

10 MODERATOR GRANT: The next speaker is Barbara
11 Burnett.

12 MS. BURNETT: The reason I came here tonight is I
13 wanted information, both pro and con, but I've heard again
14 and again from those people who advocate a build-nothing-
15 near-anything philosophy. Is there a local environmental
16 group that will be satisfied with any new energy project
17 unless it comes from alternative energy?

18 (Audience comment.)

19 MS. BURNETT: Windmills kill birds. Burning
20 biomass causes air pollution, and solar cells are made out
21 of extremely toxic chemicals. Nothing is perfect.

22 The final indignity is that all of these
23 technologies, together, probably could not provide even a
24 small fraction of this State's energy needs. We are told to
25 expect between 20 to 25 million more people in this State in

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-99
Continued

T002-100

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-101

Thank you for the information.

T002-100

T002-101

1 the next 25 years. How are they going to cook their food?

2 How are they going to heat their homes?

3 Recently, I read that the Public Utilities
4 Commissioner has said that one of the driving factors behind
5 the need for LNG is that most new electric generators in
6 California are being fueled by natural gas. We cannot stick
7 our heads in the sand and wait until there is a disastrous
8 shortage of natural gas in order to prove that we don't need
9 it.

10 If you'll remember, this is exactly what we did
11 with electricity about five years ago and you know what
12 happened and how that affected our State of California.

13 I just have to look at my gas an electric bill to
14 see that I am paying 48 percent more this year, than I did
15 last year.

16 And last month -- last year, excuse me, last year,
17 I received a letter from the utility company that said that
18 they anticipated it going up 58 percent, so they're right on
19 schedule.

20 We need to be both realistic and rational about
21 this fact and we need all the energy we can get. Of course
22 we need to work with the environmentalists. I do. The
23 environmentalists are here to serve. We need to be mindful
24 of pollution, we need to protect our environment whenever
25 possible, but our region also needs energy. Our State is

T002-101
Continued

T002-101 Continued

83

1 still fresh from an energy crisis and we should not be
2 dependent on oil from the Middle East, or any of these
3 unstable states.

4 The young lady who spoke earlier, talked about
5 Hurricane Katrina. One other fact that I remember from that
6 terrible, terrible hurricane is that what affects one part
7 of our country also affects the resources of the whole
8 country. And for the good of the country, our State needs
9 this. Thank you.

10 (Audience comment.)

11 MODERATOR GRANT: Our next speakers, Marcelo de
12 Andrade. Sorry if I mispronounce that. Renee Klimczak.
13 Sara Abramson, and Marilynn Santman.

14 Marcelo de Andrade. Are you Marcelo de Andrade?
15 Is Marcelo de Andrade present. Okay, thank you. Again,
16 Marcelo de Andrade, Renee Klimczak, if you could make your
17 way towards the front, Sara Abramson, and Marilynn Santman.

18 If you'd like to speak, please take the
19 microphone, use the hand-held mike.

20 MR. DE ANDRADE: Good evening. My name is Marcel
21 de Andrade. I'm not an American, I'm a Brazilian citizen.

22 (Audience comment.)

23 MR. DE ANDRADE: I'm a Brazilian citizen, not an
24 American. But I've come here to proffer my testimony with
25 the experience that I have with BHP Billiton over many

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-101
Continued

T002-102

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-102

84

1 years, visiting some 12 projects of theirs around the world.

2 (Audience comment.)

3 MODERATOR GRANT: Please address the Panel and
4 continue comments.

5 MR. DE ANDRADE: I'm independently wealthy.

6 MODERATOR GRANT: Please address the Panel and
7 continue your comments.

8 MR. DE ANDRADE: Okay, I'm sorry. Okay, sorry,
9 I'm just used to a specific way to speak, so I'll do that.

10 I have been seeing BHP Billiton, I have been
11 working with many different resource companies. My
12 background is I'm an environmentalist and I believe in
13 sustainable development.

14 And from a sustainable developmental view, natural
15 gas is a very good bridge between the more polluting forms
16 of energy and pure energy that will be seen in the future,
17 some years from now.

18 So I heard some concerns about safety and I do
19 know BHP Billiton's record on safety, and I have been
20 witnessing this for 12 different projects around the world.

21 The relationship BHP Billiton has with the
22 constituencies, with their public relations, but especially
23 with communities involved around the projects is pristine
24 it's about the best in the world that I've ever seen, and
25 I've been involved in many oil, gas, mining projects.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-103

The Applicant is required to adhere to all applicable Federal, State, and local laws, regulations, and permit requirements in the execution of all phases of the Project. Section 4.2.6 states, "The environmental and occupational safety record for the Applicant's worldwide operations, including, for example, mining ventures overseas, was not considered in evaluating potential public safety concerns associated with this Project because such operations are not directly comparable to the processes in the proposed Project." The conclusions in the EIS/EIR are based on the analyses of potential environmental impacts of the proposed Project and the implementation assumptions stated in Section 4.1.7. However, the Applicant's safety and environmental record will be taken into account by decision-makers when they consider the proposed Project.

T002-103

85

1 And ultimately, as a country that requires a lot
2 of energy, and energy consumption is going high, Brazil has
3 suffered some energy losses, or energy shortages, recently,
4 and I believe that such shortages in a State, like
5 California, will be severe.

6 And I believe that of the alternatives of energy
7 that we have today, for the world, they are very good, they
8 should be researched, there should be investments on those,
9 but there will be an immediate need for an increase of
10 consumption of energy. So natural gas is a very good
11 option.

12 This kind of energy would be flared and wasted if
13 not used, as it is being used more recently in years, and I
14 believe this is a very good solution to anywhere.

15 My country runs on 90 percent of hydro power,
16 which is pure energy, which is Brazil. But we're now opting
17 for natural gas as our main option because it's the next
18 best thing for completely nonpolluting energy, as hydro is.

19 The other options being nuclear, which I don't
20 think is something that you'd consider. Thank you.

21 MODERATOR GRANT: Thank you.

22 Renee Klimczak. Please spell your name for the
23 record as well, please?

24 MS. KLIMCZAK: Sure, it's Renee Klimczak, that's
25 K-l-i-m-c-z-a-k. And I'm the President of BHP Billiton

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-104

Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan.

T002-105

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-104

T002-105

1 International.

2 (Audience comment.)

3 MS. KLIMCZAK: We actually -- we welcome the
4 comments tonight, especially the constructive comments,
5 because it helps us and other agencies, who are reviewing
6 the project, to insure that we have a comprehensive review
7 and that the final documents reflect all of these comments
8 that were received.

9 I'd like to commend --

10 (Audience comment.)

11 MODERATOR GRANT: Please continue your comments.

12 MS. KLIMCZAK: I'd like to commend the State Lands
13 Commission and the Coast Guard for its review of the
14 project. They spent 17 months reviewing the comments on the
15 earlier draft, and they commissioned the nation's leading
16 authority on safety to review, to have a technical review of
17 the public safety of the project.

18 We've reached an important milestone in the effort
19 to help California meet its urgent needs for natural gas,
20 and we look forward to a final document that everyone can be
21 confident insures the protection of the public and the
22 environment.

23 I wanted to focus my comments tonight on two
24 areas, where I think there's a great deal of misinformation.
25 The first is --

T002-106
Thank you for the information.

87

1 (Audience comment.)

2 MODERATOR GRANT: Please continue.

3 MS. KLIMCZAK: The first is on public safety. I
4 wanted to underscore, in regard to public safety, all of the
5 comments made by the Marine Engineers Beneficial
6 Association. These are experts at handling LNG, and I think
7 their expertise comes through on the comments.

8 (Audience comment.)

9 MS. KLIMCZAK: LNG spills and fires have been
10 discussed in recent days, but what has not been emphasized
11 is what the Revised EIR says, the likelihood of such an
12 incident occurring is approximately 2.4 in one million. And
13 even in that extremely rare instance, there would still be
14 no impact on shore.

15 (Audience comment.)

16 MS. KLIMCZAK: We have also submitted a detailed
17 security plan to the U.S. Coast Guard and the U.S.
18 Department of Homeland Security, something that is required
19 before a permit can be granted to protect against the threat
20 of deliberate attack.

21 Also, the pipelines will utilize proven
22 technologies to prevent and detect leaks, and will be
23 certified to the highest safety standard, even in
24 unpopulated areas.

25 Here, I'd simply like to underscore --

T002-106

88

1 MODERATOR GRANT: Your time is up.

2 (Audience comment.)

3 MS. KLIMCZAK: Here, I'd simply like to underscore

4 comments from --

5 Thank you.

6 MODERATOR GRANT: Thank you.

7 The next speaker is Max Ordonez. Max Ordonez,

8 O-r-d-o-n-e-z. Not present.

9 Sara Abramson.

10 MS. ABRAMSON: Good evening. My name is Sara

11 Abramson, and I'm a staff scientist and I also reside in

12 Malibu.

13 We appreciate the efforts to better characterize

14 the project and the environmental impacts in the revised

15 draft, but we still find the analysis unsatisfactory.

16 The seawater intake required from this project

17 will withdraw and subsequently kill plankton, eggs, fish,

18 and invertebrate larvae.

19 As the proposed project is anticipated to withdraw

20 over 10 million gallons of seawater and associated marine

21 life daily, it is no surprise that our coastal marine

22 environment is overly stressed.

23 Over the past 20 years there has been an estimated

24 decrease in plankton abundance off the California coast.

25 Many of our fisheries are over-fished or depleted, and our

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-107

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. The previously proposed FSRU generator engine cooling system used seawater as the source of cooling water for the four generator engines. The Applicant now proposes using a closed tempered loop cooling system that circulates water from two of the eight submerged combustion vaporizers (SCVs) through the engine room and back to the SCVs, which reduces the seawater intake volume by about 60 percent. The seawater cooling system would remain in place to serve as a backup system during maintenance of the SCVs or when the inert gas generator is operating. Section 2.2.2.4 contains a description of the proposed uptakes and water uses for the FSRU.

Section 4.7.4 contains information on uptake volumes and potential impacts of seawater uptake and discharge on marine biota, including ichthyoplankton from intake of seawater and, from thermal discharges of cooling water. The ichthyoplankton impact analysis (Appendix H1) includes both literature results and data from California Cooperative Oceanic Fisheries Investigations (CalCOFI) surveys. CalCOFI surveys have been consistently collected over a period of time and are the best scientific data currently available.

T002-107

1 valuable marine resources are stressed by the many
2 cumulative impacts we impart on them.

3 Thus, the reality of the impacts from this project
4 cannot go overlooked.

5 The studies that address and evaluate the
6 impingement, which is also the killing of marine life by
7 seawater intake, are sufficient and misleading.

8 The revised draft underestimates the effects of
9 this project on plankton and marine life, which is the
10 essential building block of marine habitat, as no site-
11 specific studies were conducted in the environmental
12 analysis.

13 The study area that allegedly addresses this issue
14 is unrepresentatively large, it spans an area of
15 approximately 15,000 nautical square miles and includes
16 regions beyond the Channel Islands, but takes no samples
17 within one square mile of the project.

18 Further, plankton density generally increase as we
19 move in shore, but samples from this project were taken as
20 far as a hundred nautical miles offshore. This is well
21 beyond the Channel Islands.

22 Plus, the revised draft grossly underestimates the
23 impacts to planktonic marine life. The revised draft claims
24 that less than 0.5 million percent of eggs and larva within
25 the study area would be entrained by this project. This is

T002-107
Continued

T002-107 Continued

90

1 due to the large, overestimated large area.

2 The revised draft findings are not consistent with
3 past studies at Ormond Beach Generating Station, which is
4 the nearest coastal power plant. Ormond studies revealed
5 that substantial entrainment of northern anchovies, white
6 choker and queen fish, all important fodder fish for larger
7 predators, which provide an essential balance.

8 In addition to these concerns, the revised draft
9 also mischaracterized the presence of special status
10 species. Voluntary reporting from Ormond Beach Generating
11 Station indicates that the power plant has taken both sea
12 turtles, Green Sea Turtles, that is, and Northern Elephant
13 Seals.

14 However, the revised draft indicates, mistakenly,
15 that these species are rare in the area. Both of these
16 species have protected status and Green Sea Turtles are
17 federally listed as threatened.

18 These impacts must be -- or these species must be
19 given due protection under law and must be considered in the
20 impact analysis. Thank you.

21 (Applause.)

22 MODERATOR GRANT: Our next speaker will be
23 Marilyn Santman, followed by Hayden Riley, Tim Riley, Eva
24 Wilson, Paul Shoop, and Tom Griggs.

25 Marilynn Santman, please.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-107
Continued

T002-108

Section 4.7 contains updated stock assessments for marine mammals in the Project vicinity according to the latest available information from NOAA. In addition, marine mammal experts (see Appendix I) have been consulted regarding potential impacts and mitigation, and based upon their expertise, text in Section 4.7 has been clarified.

T002-108

91

1 MS. SANTMAN: Marilyn Santman. I live in Vantage
2 Point Terrace, by Pepperdine University.

3 I've been sitting here tonight listening to big
4 business talk. I've heard them talk about the pros of their
5 project.

6 I'm fortunate enough to work in the Santa Monica
7 Mountains. I work at three camps for incarcerated youth. I
8 teach them how to read. And, folks, it's the most gorgeous
9 place on earth. The birds chirp, the grass smells
10 delicious, the air smells clean, and it's wonderful.

11 Now, I'm hearing that there are all kinds of
12 issues to this project, from fish to all kinds of things in
13 the water, to the most important thing, me.

14 Now, they talked about asthma and they talked
15 about everything else, but they didn't talk about the long
16 range genetic effects of what this would be like and what
17 would happen to all of us a number of generations from now.

18 This is big business, again. We need to focus on
19 alternate forms of energy and the research necessary to do
20 this. California does need energy, we do use energy, and we
21 need to focus on saying -- instead of saying, allowing big
22 business to come and dictate to us, we need research, folks,
23 lots of it, lots of money, and lots of places to do this so
24 that California does not depend on anybody coming from a
25 foreign country, dictating to a wonderful place, like

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-109

Section 4.7.4 and 4.18.4 discuss impacts to marine biota and water quality. Section 4.2 and Appendix C contain information on public safety.

T002-110

Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T002-111

Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan. Section 1.2 discusses dependence on foreign energy sources.

T002-109

T002-110

T002-111

92

1 Malibu, how they're going to possibly destroy the entire
2 coast.

3 They've been fighting all kinds of things here for
4 the last 30 years, I've been a resident for 30 years, and
5 we're still fighting. Instead of finding out what we can
6 do, we're telling them, no, they can't do this.

7 And tonight, listening to residents -- now, if you
8 counted how many residents spoke, maybe you could count them
9 on one hand. But the point is that we need all kinds of
10 things, but we don't need this. Thank you.

11 (Applause.)

12 MODERATOR GRANT: Hayden Riley, please.

13 MS. RILEY: Good evening. I'm Hayden Riley, from
14 Oxnard Shores, and I co-produced the film, "The Risk, the
15 Danger of LNG," and I co-host --

16 MODERATOR GRANT: Please address the Panel.

17 MS. RILEY: -- lngdanger.com.

18 I respectfully urge the no-action, no-project
19 alternative and that you deny the application.

20 Title 33, Chapter 29, Section 1504 mandates that
21 each application shall include the technical capabilities of
22 the applicant to construct or operate the deepwater port.

23 This applicant never existed before March 12th,
24 2003, and has actually admitted in their application, "BHP
25 Billiton LNG International, Inc., is a new entity with no

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-112

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-113

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-114

Section 1.1.1 describes the determinations that MARAD is required to make regarding applications for a license under the provisions of the Deepwater Port Act of 1974, as amended. Section 4.2.6 addresses the Applicant's safety record.

T002-112

T002-113

T002-114

T002-114 Continued

93

1 operating history."

2 As a new entity, they obviously cannot demonstrate
3 the necessary history to construct or operate an LNG
4 deepwater port. The most critical aspect is safety and
5 integrity of the operation.

6 The technologies needed to transfer a cryogenic
7 liquid from an LNG tanker to an FSRU have not been
8 demonstrated anywhere on earth. We will be guinea pigs.

9 Your environmental review has not determined that
10 the applicant can, indeed, construct and operate the
11 deepwater port so as to prevent and minimize adverse impact
12 upon the marine environment and public safety.

13 The applicant cannot demonstrate this because the
14 technology to be applied is unavailable and nonexistent. It
15 is pure speculation that they think it will work flawlessly
16 the first time out of the box.

17 It is a Pollyanna expectation to assume that the
18 FSRU, which will be moored by a chain and cable to the ocean
19 floor, in a seismically active area, will withstand
20 earthquakes, hurricanes, and tsunamis.

21 Consider the eye-opening and heart-wrenching
22 events in Malaysia and New Orleans. BHP Billiton, with
23 self-serving bravado, claims that California coastal
24 communities can trust its offshore platform experience and
25 safety record.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-114
Continued

T002-115

T002-115

Section 2.1 contains information on design criteria and specifications, final design requirements, and regulations governing the construction of the FSRU. The Cabrillo Port must be designed in accordance with applicable standards, and the U.S. Coast Guard has final approval. Section 4.2.4 contains information on Federal and State agency jurisdiction and cooperation. The Deepwater Port Act specifies regulations that all deepwater ports must meet; Section 4.2.7.3 contains information on design and safety standards for the deepwater port. Section 4.2.8.2 contains information on pipeline safety and inspections. Impact EJ-1 in Section 4.19.4 addresses additional pipeline design requirements in areas of low-income and minority communities. The EIS/EIR's analyses have been developed with consideration of these factors and regulations and in full conformance with the requirements of NEPA and the CEQA.

T002-116

Section 2.2.3 discusses mooring of the FSRU.

T002-117

Section 4.11.1 and 4.11.4 discuss the threat of earthquakes and tsunamis. Appendices J1 through J4 contain additional evaluations of seismic hazards.

T002-118

Section 4.1.8 discusses climatic conditions at the proposed deepwater port location.

T002-116

T002-117

T002-118

The Cabrillo Port must be designed in accordance with applicable standards, and the USCG has final approval. Section 2.1 contains information on design criteria and specifications, final design requirements, and regulations governing the construction of the FSRU. Section 4.2.4 contains information on Federal and State agency jurisdiction and cooperation. The Deepwater Port Act specifies performance levels that all deepwater ports must meet; Section 4.2.7.3 contains information on design and safety standards for the deepwater port. Section 4.2.8.2 contains information on pipeline safety and inspections. If the FSRU were to become unmoored, the patrolling tugboats could be used to hold it in place. "Disabled Vessels and Anchorage" in Section 4.3.1.4 contains information on this potential situation and the actions that would be taken if it were to occur.

The regulation implementing the Deepwater Port Act (33 CFR 149.625 [a]) states, "Each component, except for those specifically addressed elsewhere in this subpart (for example, single point moorings, hoses, and aids to navigation buoys), must be designed to withstand at least the combined wind, wave, and current forces of the most severe storm that can be expected to occur at the deepwater port in any 100-year period." By definition, a 100-year wave event is expected to occur once every 100 years on average over the course of many hundreds of years. The EIS/EIR's analyses have been developed with consideration of these factors and regulations.

The Typhoon Platform, a tension leg production platform in the Gulf of Mexico jointly owned by Chevron and BHPB, was severed from its mooring and severely damaged during Hurricane Rita. The Typhoon Platform was designed for a different purpose using different design criteria.

T002-118
Continued

1 Well, now we have tangible evidence of BHP
2 Billiton's inability to moor and secure an offshore oil/gas
3 platform. According to the Australian Financial Review of
4 September 28th, 2005, "BHP Billiton is mystified how one of
5 its supposedly hurricane proof offshore oil and gas
6 platforms broke its moorings and drifted out of control for
7 almost 270 kilometers across the Gulf of Mexico during
8 Hurricane Rita, at the weekend."

9 "The massive cables, which tender the floating
10 platform to the bed broke free, allowing the unmanned rig to
11 drift."

12 And according to BHP's spokeswoman, Emma Mead,
13 "the facility was designed to withstand these conditions, so
14 we don't know why it went off location."

15 The application involves a floating facility,
16 storing enormous volumes of ultra-hazardous materials, which
17 can break free, bounding towards shore, producing an inferno
18 extending many miles, where both the applicant and the
19 project demonstrates no experience, the drafters must
20 acknowledge that this is a recipe for unprecedented
21 disaster.

22 (Applause.)

23 MODERATOR GRANT: Tim Riley, followed by Eva
24 Wilson. Tim Riley, followed by Eva Wilson.

25 MR. RILEY: Good evening. My name is Tim Riley

95

1 and I'm an attorney from Oxnard Shores. We will be about 26
 2 miles from the facility. My wife, Hayden, and I have
 3 dedicated the last three years of our lives, our personal
 4 finances, and our profession to fight this particular
 5 project, and projects for LNG --

6 (Applause.)

7 MR. RILEY: Thank you. -- throughout the United
 8 States and throughout the world. As we speak, an Italian
 9 group's translating our film, "The Risks of LNG," because,
 10 believe it or not, they're proposing a similar project even
 11 closer to the Leaning Tower of Piza.

12 Yeah, it's getting out of control. And if this
 13 were a nuclear facility, we'd have the same suited gentleman
 14 talking about how safe nuclear energy is.

15 MODERATOR GRANT: Please address the Panel.

16 MR. RILEY: I notice other people -- well, I'm
 17 going to submit my written comments to you all.

18 Mark, I see you're out of your military dress
 19 tonight.

20 Anyway, this process, what does this process mean
 21 and where is it going? If it wasn't for the California
 22 Lands Commission, that last draft would have been approved
 23 by the feds.

24 So what's going to happen after this revised
 25 hearing on the revised draft? They're going to go through

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-119

Thank you for the information.

T002-120

Chapter 1 discusses the CEQA and NEPA processes. Section 1.1 discusses regulations and agencies involved in the licensing and potential approval of the proposed Project. The USCG and MARAD will hold a final public hearing on the license with a 45-day comment period before the Federal Record of Decision is issued. The CSLC also will hold a hearing to certify the EIR and make the decision whether to grant a lease. Section 1.5 contains additional information regarding public notification and opportunities for public comment. Section 1.1.2 discusses the Governor's role in deepwater port licensing.

T002-119

T002-120

1 the same charade, shall we call it, make some corrections
2 and release the final draft.

3 So the process is important, to this extent, that
4 you're here and BHP Billiton is hearing this. More
5 importantly, Crystal Energy's going to hear about this, and
6 Woodside, because they're all going to be here some other
7 day for their projects.

8 MODERATOR GRANT: Please address the Panel.

9 MR. RILEY: So you cannot let -- you know, I've
10 seen so many people turn this way. But anyway, forgive my
11 back.

12 But anyway, you've got to not let attrition come
13 in and come back again and again, and bring more people each
14 and every time.

15 In terms of what we can do in terms of impacting
16 these people in the outcome, the best thing you can do is
17 contact and somehow have an impact on Governor
18 Schwarzenegger.

19 Offshore projects fall under the Deepwater Port
20 Act, and Governor Schwarzenegger can veto this project, 45
21 days once it's completed. If he doesn't do anything, it's
22 deemed accepted. So we can't let him get by, by sleeping on
23 it.

24 So what you can most do is make sure everybody in
25 Malibu makes it difficult for him to show his face, on his

T002-120
Continued

T002-120 Continued

97

1 motorcycle, in this community. I mean, that's probably
 2 going to be the best tack here. Submit your written
 3 comments. Come tomorrow, to Oxnard, because I can tell you
 4 this, you've heard the sounds and how people are unhappy
 5 here, the suits you saw at the beginning are going to be
 6 about 65 percent of tomorrow's meeting.

7 So all these BHP people, who are disappointed
 8 tonight are going to sit there feeling good because all the
 9 Valley Chamber of Commerce, San Fernando Valley, they're
 10 going to come out of the woodwork talking about how we need
 11 gas and how this is so great.

12 So keep it up, get a groundswell, come back to
 13 more meetings and affect Governor Schwarzenegger.

14 (Applause.)

15 MODERATOR GRANT: Eva Wilson. Eva Wilson. Is Eva
 16 Wilson not here?

17 Paul Shoop.

18 MR. SHOOP: Good evening, Paul Shoop, 3401 Coast
 19 View.

20 I'd like to start by suggesting that the EIR is
 21 deficient in its analysis of the no-project alternative and
 22 in the alternatives to the project.

23 An alternative to this project is not a different
 24 mooring site. An alternative to this project is to bring
 25 gas from someplace else.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-120
Continued

T002-121

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-122

Both NEPA and the CEQA require the consideration of alternatives to a proposed project. A lead agency's lack of jurisdiction over a potential alternative is one factor that it may consider in determining if a potential alternative is feasible, reasonable, and merits detailed study in an EIS/EIR. Whether a potential alternative is purely hypothetical or speculative, or whether the potential alternative can be accomplished in a successful manner in a reasonable period of time are additional factors the lead agency may consider in assessing the feasibility and reasonability of the potential alternative.

From a NEPA perspective, while a Federal agency must analyze "a range of reasonable alternatives" (as opposed to any and all possible alternatives), and may be required to analyze an alternative that is outside the capability of an applicant and that is outside the jurisdiction of the agency, the threshold question in determining whether to analyze any alternative is whether that alternative would be a "reasonable" alternative. Reasonable alternatives include those that are practical and feasible from the technical and economic standpoint and using common sense (CEQ 40 Questions; #2a).

To provide for an effective "hard look" at the alternatives the agency must limit the range to those alternatives that will best serve the environmental review process, and not needlessly examine and discuss in depth remote or speculative alternatives that that discussion does not facilitate a better decision making process. As stated in 40 CFR 1502.14(a), the EIS should "rigorously explore and objectively evaluate all reasonable alternatives, and for alternatives which were eliminated from detailed study, briefly discuss the reasons for their having been eliminated."

Section 15126.6(a) of the State CEQA Guidelines states, in part, "[t]he Lead Agency is responsible for selecting a range of project alternatives for examination and must publicly disclose its reasoning for selecting those alternatives." The California Supreme Court in the Citizens of Goleta Valley case recognized that while an agency's jurisdiction was only one factor to consider, "[t]he law

T002-121

T002-122

does not require in-depth review of alternatives that cannot be realistically considered and successfully accomplished." In addition, the discussion in section 15364 in the State CEQA Guidelines states that "[t]he lack of legal powers of an agency to use in imposing an alternative or mitigation measure may be as great a limitation as any economic, environmental, social, or technological factor."

Chapter 3 discusses energy conservation, efficiency, and renewable sources of energy, and explains why these potential alternatives were not studied in detail in the EIS/EIR. The range of alternatives studied in detail is reasonable and conforms to NEPA and the CEQA requirements.

98

1 When I was here, the first night of cityhood, back
2 in 1991, there was no Barnett Shale Oil Field. It's now the
3 largest field in the United States. It's been discovered
4 and produced in the time since we became a city. The wells
5 in the Barnett Shale produce a million cubic feet a day.

6 Now, they've found another oil shale field near
7 Fayetteville, Arkansas, the same sort of thing. There is
8 enormous gas in the continental United States. The problem
9 is to get it here and to store it.

10 So the alternatives that you've addressed, as a
11 different mooring site, or a different place to put the
12 intake and the outlet, in your Executive Summary, are not
13 real alternatives. The real alternatives are the
14 alternative energy sources that we've discussed. But with
15 respect to this particular project, where can that gas come
16 from, other than Australia? It can come from Arkansas, it
17 can come from Texas, it can come from New Mexico, it can
18 come from the Chesapeake energy field, in the Appalachians,
19 it can come from the midwest.

20 And the pipelines are there to supply it to
21 Southern California. The infrastructure's in place.

22 The gas is closed per thousand cubic feet. Gas
23 closed, yesterday, at about \$7.00 per thousand cubic feet.
24 Gas is very volatile up and down its price. Not because of
25 the amount of gas that's available, but because of storage

T002-123

T002-123

Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan. Thank you for the information. Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-123
Continued

1 facilities in the United States.

2 The Federal Energy Regulatory Commission will
3 announce, Thursday, the percentage of our capacity in the
4 United States we're using. And they're going to announce
5 its full, and it was full last month. We have all the gas
6 we can store in this company, in storage throughout the
7 country. It's getting it to the markets that's important.

8 This is not the solution, to bring gas from
9 Australia to Southern California, when those Arkansas
10 farmers have gas to sell, to bring through existing
11 pipelines.

12 I would suggest that when you go back and review
13 this EIR for its sufficiency, that you analyze not a
14 different mooring site for this facility, or a different
15 intake or outlet, but a different way to bring the gas from
16 the present places where it's being produced in our country,
17 at competitive prices, and bring it to our markets here.
18 Those are the real alternatives to this project, not
19 bringing something to us from across the world, that we
20 don't need and we don't want. Thank you.

21 (Applause.)

22 MODERATOR GRANT: Tom Grubbs. Tom Grubbs will be
23 followed by Sam Hall Kaplan, Barry Haldeman, Skylar Peak,
24 Cathleen Summers, and Cameron Wellwood.

25 Mr. Grubbs.

100

1 MR. GRUBBS: Yes, hi, my name's Tom Grubbs, and
2 I'm a newbie here, in Malibu, I've been here only 20 years.

3 MODERATOR GRANT: Speak into the microphone,
4 please.

5 MR. GRUBBS: I say, I'm a newbie here in Malibu,
6 I've only been here 20 years.

7 I think that we really miss the whole point here
8 and that is, you know, they talk about how safe it is and
9 how they can transport it on big ships, and it's safe, and
10 everything's okay, and we need it, and Australia wants to do
11 us some favors and help us out.

12 The bottom line is that it's in my backyard. Did
13 anybody ask us? We don't want it. I don't think there's
14 one person in here that wants us. If they're paying you, if
15 they're giving you a check, yeah, you want it. They haven't
16 given me my check. I don't want it. If you ask us, we
17 don't want it.

18 And if you want to help us out, Australia, give us
19 some money for some research for some alternative fuels.
20 That, we can use. We don't need oil. We want to get off of
21 oil.

22 Our present administration has done everything to
23 attach us to oil, to keep us in oil and, you know what,
24 we're paying through the nose. I don't mind, I'll pay twice
25 the money for gas, if it gives us some alternative fuel.

T002-124

Section 4.2 and Appendix C contain information on public safety.

T002-125

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-126

Section 3.3.2 discusses renewable energy sources. Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-124

T002-125

T002-126

T002-126 Continued

101

1 Let's use this as an opportunity to research and
2 find some other ways to get energy. We don't need this.
3 Thank you.

4 (Applause.)

5 MODERATOR GRANT: Sam Hall Kaplan. Sam Hall

6 Kaplan? Are you Sam?

7 MR. KAPLAN: Yes, I am.

8 MODERATOR GRANT: Yeah, please start.

9 MR. KAPLAN: Thank you. Sam Hall Kaplan,
10 29061 -- I beg your pardon? Closer? Or can I just put it
11 down and project, since I've been projecting with ad lib
12 comments all evening?

13 29061 Cliffside Drive. And that's a view of the
14 ocean. What I'm seeing now is the whales running. What I
15 suspect we'll see, if this project goes through, it won't be
16 whales, it will be ships running. My view will be ruined.
17 That's probably worth, oh, maybe a million dollars, and
18 maybe another thousand people.

19 This project is a half a billion dollars. The
20 project will affect, no doubt, about a billion dollars worth
21 of Malibu real estate. That's a billion dollars, that's
22 what the prostitutes, these Navy chickens understand.
23 They're talking about money, well, it's money in my pocket,
24 too, just as it is for all these prostitutes.

25 Furthermore, this project, beyond that, the

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-126
Continued

T002-127

Section 4.4 and Appendix F contain information on visual resources, impacts, and mitigation. Appendix F describes how visibility from various distances was evaluated and provides additional simulations prepared for viewpoints at elevated sites along the Malibu coastline and inland areas.

T002-128

Section 4.16.1.2 contains information on property values.

T002-127

T002-128

T002-128 Continued

102

1 process has been corrupted by the lobbyists, by the public
 2 relations effort. What we saw here, earlier, was an outrage
 3 on the democratic process.

4 And the product, of course, will be corrupted.
 5 Accidents do happen.

6 As a former journalist, I witnessed what happened
 7 in Chernoble. I was there, it was not pretty.

8 My son -- I'm wearing this today because my
 9 son -- this is a Cordova Fishing Cooperative, which was put
 10 out of business by the Valdez. My son spent seven years
 11 trying to correct some of the problems created. Not just
 12 the physical problems, not just the fish, but the human
 13 problems created by the Valdez.

14 Accidents happen, they happen more than we expect.
 15 But beyond all that, there's something very special in
 16 Malibu, and that's what the Commission should understand.
 17 It is a very special place. It has a heritage, it has an
 18 environment, it's a sensitive one.

19 The Environmental Defense Fund made excellent,
 20 excellent points, I'm not going to repeat them, in terms of
 21 the alternative, in terms of the effect.

22 What I urge you to do is listen to them with your
 23 mind, because you're professionals, but also listen to them
 24 with your hearts, because Malibu is special.

25 And let me tell you, with a billion dollars of

T002-128
Continued

T002-129

T002-130

T002-129

The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C. Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results.

Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline.

T002-130

Thank you for the information. Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-130 Continued

103

1 real estate, hell hath no fury like Malibu maligned. And if
2 you expect this project is going to go right through, you're
3 mistaken. Lawyers will descend.

4 (Applause.)

5 MODERATOR GRANT: Barry Haldeman. Barry Haldeman,
6 H-a-l-d-e-m-a-n. Barry Haldeman.

7 MR. HALDEMAN: Thank you. My name is Barry
8 Haldeman, I've been a Malibu resident for over 25 years, I
9 love this area.

10 You've heard enough tonight to know how opposed
11 Malibu residents are, and tomorrow night you'll hear enough
12 to know how opposed Ventura and Oxnard residents will be to
13 this project. And I assure you that we will use every
14 resource at our disposal to stop the project.

15 I want to talk about something you've not heard
16 about, except for the last speaker, and that's the economic
17 impact on this area and the State.

18 The EIR failed to adequately address the impact on
19 property taxes and sales taxes that this project is going to
20 have. That's a valuable source of income to the State and
21 local cities.

22 Last year, Malibu, alone, collected \$18 million of
23 sales tax, kept only \$2.2 million, and turned the rest over
24 to government agencies.

25 Last year, alone, Malibu collected \$20 million of

T002-130
Continued

T002-131

Section 4.16.1.2 contains information on property values.

Section 4.16 contains information on the scope of economic effects
that are considered under NEPA and the CEQA.

T002-131

T002-131 Continued

104

1 property taxes, retained \$4.8 million and returned the
 2 balance to the State. That's a total of \$38 million of
 3 taxes in one year from this area.

4 I'm sure that there are also significant tax
 5 collections from Ventura and Oxnard.

6 The EIR simply states that the presence of the
 7 offshore facility, "would not be expected to impact property
 8 value." What arrogance. Everyone in this room, who owns a
 9 house, knows that's wrong.

10 And there's no mention, that I could see, of the
 11 sales taxes. The mere presence of the plant, visible day
 12 and night, with ships coming and going through the channel,
 13 will impact the beach experience of not only residents, but
 14 all of the millions of visitors that we entertain every
 15 year.

16 And God forbid if there is an accident or a scare,
 17 that's going to impact whether people want to live here, and
 18 it's going to impact whether people want to come here for
 19 recreation. That is directly going to impact property taxes
 20 and sales taxes. Because if they're not here, they're not
 21 buying. And if people don't want to live here, the value of
 22 property goes down and the sales taxes go down, and all of
 23 the sudden the State, which is in desperate need of funds,
 24 is collecting less.

25 And it something that will occur not just in one

T002-131
Continued

T002-132

Sections 4.3.1 and 4.3.4 contain information on vessel traffic between the FSRU and Port Hueneme. The Applicant has updated its projections of vessel traffic between Port Hueneme and the FSRU. Projected weekly vessel transits have been reduced. Section 4.4 and Appendix F contain information on visual resources, impacts, and mitigation. Appendix F describes how visibility from various distances was evaluated and provides additional simulations prepared for viewpoints at elevated sites along the Malibu coastline and inland areas. Figure 2.2-1 shows the height of the structures above the loaded waterline, which is also discussed in Section 4.4.1.1. Impact AES-1 in Section 4.4.4 and Impact REC-3 in Section 4.15.4 address potential impacts on onshore views and the onshore recreational experience.

T002-132

T002-133

Section 4.2 and Appendix C contain information on public safety impacts. Section 4.2.5 contains information on liability in case of an accident and reimbursement for local agencies. Section 4.16 contains information on the scope of economic analysis considered under NEPA and the CEQA.

T002-133

105

1 year, but it will have an impact over several years.

2 So even if you're not moved by the serious
3 environmental issues that have been raised, by the untested
4 facility, by the safety issues of coastal residents and
5 visitors, look at the economics. The risks are too great on
6 every front for this project to ruin the incredible asset
7 and jewel in California's crown. Thank you.

8 MODERATOR GRANT: The next speaker is Skylar Peak.

9 MR. PEAK: Yes, how's it going, everyone. A lot
10 of people know me, Skye. I run a business out of Malibu,
11 called Malibu Makos (phonetic). In the course that I've
12 been working there, we've successfully trained, in the
13 ocean, over 10,000 children, from the ages of 5 to 15, and
14 that's an opportunity that I would like to see my children
15 have, and everyone else in this room. And also people in
16 the surrounding communities.

17 Not only does our organization service Malibu, but
18 it services Beverly Hills, Calabasas, Ventura, Tarzana,
19 Encino, Camarillo, Oxnard, and other people from around the
20 world.

21 And to see that you guys are going to approve
22 something like this to affect our ocean, which is my
23 playground, and plenty of other people, in Los Angeles,
24 Ventura County, around the world, their playground, it's
25 just absurd.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-134

Sections 2.1 and 4.2.7.3 contain information on design criteria and specifications, final design requirements, and regulations governing the construction of the FSRU and LNG carriers.

T002-134

Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical distance (6.5 miles) from the shoreline.

T002-135

Section 4.16.4 discusses the socioeconomic impacts of this Project.

T002-135

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-136

T002-136

Thank you for the information.

T002-137

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-137

106

1 I think you're going to get the response from us,
 2 everyone in this room and, hopefully, everyone in Oxnard and
 3 Ventura County, and everyone that appreciates the coast.

4 I'm nervous right now. Furthermore, I'd like to
 5 say that, you know, Zuma Beach, alone, will get 300,000
 6 visitors over a weekend in the summertime, and I don't know
 7 how you guys are going to fathom where else are those people
 8 going to go? Where else are people in Los Angeles County
 9 and other counties along this coast going to go when you
 10 guys ruin this beach.

11 And I'm not saying that putting this in there, all
 12 of the sudden, like day one, the beach is going to be
 13 ruined. Yeah, it's going to be an eyesore and people are
 14 going to lose property values and everything, but why would
 15 you take that away from everyone? Why not look to other
 16 resources of energy? Like why? Just why? That's all I
 17 have to say.

18 (Applause.)

19 MODERATOR GRANT: Okay, our next speaker is
 20 Cathleen Summers, followed by Cameron Wellwood, followed by
 21 Ozzie Silna, followed by John McVallah.

22 MR. WELLWOOD: Hello, I'd like to speak on behalf
 23 of Malibu. First of all, you guys keep talking about
 24 safety. Well, I don't really see it like that, I see it
 25 more like it's just going to start a trend, where all these

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-138

T002-138

Section 4.15.4 contains information on potential impacts on recreational activities. The FSRU is not located in or near any park or recreational area. The boundary of the Channel Islands National Park is more than 17 NM away at its closest point on Anacapa Island. Table 2.1-2 contains additional information on distances from the FSRU to points-of-interests and the potential expansion of the CINMS. The Santa Monica Mountains National Recreation Area is more than 12 NM away from the FSRU, as are all other State parks and recreations areas. The only recreational facility crossed by the proposed onshore pipelines is the multi-use trail along the South Fork Santa Clara River in Santa Clarita, which would be temporarily affected during construction but restored afterwards. Appendix F contains additional view simulations from recreation areas.

T002-139

T002-139

Section 4.4 and Appendix F contain information on the visual resources, impacts, and mitigation. Appendix F describes how visibility from various distances was evaluated and provides additional simulations prepared for viewpoints at elevated sites along the Malibu coastline and inland areas. Section 4.16.1.2 contains information on property values. Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan. Sections 3.3.1 and 3.3.2 address conservation and renewable energy sources, within the context of the California Energy Commission's 2005 Integrated Energy Report and other State and Federal energy reports, as alternatives to the Project.

107

1 people start competing and putting in factories right in
 2 front of my beach. And before you know it, there's going to
 3 be like ten more proposals and, you know, it's just going to
 4 be a horizon full of these stupid derricks, and just a
 5 nightmare view, and it's just going to ruin our coastline
 6 for one thing.

7 Another thing is you guys don't have to surf in
 8 this water on a daily basis, neither do these guys. You
 9 don't enjoy fishing these local waters and eating the fish
 10 and, you know, all this is being threatened by this project.
 11 And you probably don't have to live downwind from 200 and
 12 however many tons of chemicals and particulates.

13 And let's see, what else do I have here. I'm not
 14 very organized, but I'm pretty angry. First of all, how can
 15 Malibu possibly benefit from this whole thing? I mean,
 16 we're the ones that you guys are using to put this corporate
 17 greed to work and, you know, I don't even know what to say,
 18 I'm so angry.

19 (Audience comment.)

20 MR. WELLWOOD: So anyway, let's see what we've got
 21 here. Yeah, I don't know if you guys saw, you know, there's
 22 plenty of SUV's out there. I think we can afford it, it's
 23 the energy spike, you know, we can probably pay two to three
 24 times as much for oil, and I don't think we really care
 25 about natural gas, just so the San Fernando Valley and the

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-140

Section 4.4 contains information on the Project's visual aspects, impacts, and mitigation. See Impact AES-1 in Section 4.4.4. Additional simulations are included in Appendix F. Section 4.20.3 discusses cumulative impacts on aesthetics.

T002-140

T002-141

Section 4.15.1 discusses surfing in the area. Section 4.15.4 discusses the potential impacts on recreational activities, including recreational fishing. Section 4.7.4 discusses the potential impacts on marine biota. Section 4.16.4 discusses the potential impacts on commercial fishing. The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T002-141

T002-142

Thank you for the information.

T002-142

T002-142 Continued

108

1 rest of California can use all your gas. And I don't know,
 2 it's just -- okay, yeah, I know this is ridiculous. I got
 3 some more stuff.

4 Okay, hang on, we got it, I got another minutes.
 5 Okay, somebody was saying only visible on clear days. Well,
 6 I don't think there's going to be anymore clear days if it's
 7 spewing out smog all over the place, when the winds blow
 8 from the west 90 percent of the time and we all live right
 9 to the west of where your proposal is, for one thing.

10 And I don't know how many of you out there take
 11 pictures of the sunsets, but you'll catch me out there on a
 12 daily basis, and I'm not going to do that if there's a
 13 stupid bunch of factories sitting out there, I'm going to
 14 have to move out of here.

15 And you know what, I can't even --

16 MODERATOR GRANT: Sir, your time is up.

17 MR. WELLWOOD: Good.

18 (Applause.)

19 MODERATOR GRANT: Cathleen Summers. Before you
 20 begin, Ms. Summers, the last speaker, you were Cameron
 21 Wellwood?

22 MR. WELLWOOD: Yeah.

23 MODERATOR GRANT: Thank you. Cathleen Summers.

24 MS. SUMMERS: I am Cathleen Summers and I am a
 25 resident of Malibu.

T002-142
Continued

T002-143

T002-143

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T002-144

Section 4.4.4 and Appendix F contain information on the visual aspects of the Project, potential aesthetic impacts, and mitigation measures to address such impacts.

T002-144

109

1 (Audience comment.)

2 MS. SUMMERS: My name is Cathleen Summers and I am
3 a resident of Malibu. I do want to talk about protecting
4 Malibu, but Malibu reflects not only those of us who live
5 here, there are millions of people who come here every year
6 to recreate. There's a huge amount of money that comes into
7 this State from the income from jobs, from all the tourist
8 industry we have.

9 So when we talk about protecting Malibu, it's not
10 just our own backyard, it's the backyard of this entire
11 community. It extends for all of Los Angeles County and the
12 world. When we think of Southern California, what draws
13 people here are our beautiful beaches, our wonderful
14 community. So I want to state that it isn't just about
15 Malibu that we're trying to protect, only for us.

16 You know, when I first started hearing about this,
17 I was really deeply fearful because I realized how easy it
18 is, with all the experts that are here, and I'm sure they're
19 well-intended about what they believe they can do, it's far
20 so easy to have a mistake, to have an accident.

21 We also now live in a world, and we know it, that
22 in our lifetime we're not going to see the end of terrorism
23 because we've learned that it's far too easy for any one
24 person to do something that affects a great number of
25 people, and they don't have to have the best motivation in

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-145

Section 4.4.4 discusses potential aesthetic impacts on residents, tourists, and other recreational users. Section 4.15.1.1 discusses impacts on offshore recreation, including tourism.

T002-146

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks.

T002-145

T002-146

110

1 the world. So we're looking at something that we all could
2 be deeply affected by.

3 When someone tells me that, well, it won't hit
4 shore, first of all they can't assure me of that because you
5 can't even test this stuff, it's so dangerous.

6 But what happens to all that sea life? We're
7 trying to have the fisheries that we're trying to develop,
8 again. We have the last remnant here, in Malibu, because it
9 doesn't go further south from us anymore, and you're talking
10 about risking blowing that up, or just dumping water that's
11 so heated that it's going to kill the plankton, kill the
12 fish.

13 You know, we've had heating of the water here, in
14 the last decade, and El Nino, and those of us who have lived
15 here have really seen the reality of these statistics that
16 these people have so wisely told us. We've watched sea life
17 die and wash up on shore, and go through terrible suffering
18 as they die from this heating.

19 I don't think there's any way you can tell us that
20 it won't hit shore. You can't test this, it's so dangerous
21 to test on water, all you can do is theorize on it.

22 But even if it isn't true, it's true that
23 something is going to happen and it's going to affect the
24 sea life, and that affects all of us.

25 And not only that, wherever it does happen out to

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-147

Section 4.2.5 contains information on the Applicant's insurance coverage and cost recovery for incidents. Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline.

T002-147

T002-148

T002-148

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. The previously proposed FSRU generator engine cooling system used seawater as the source of cooling water for the four generator engines. The Applicant now proposes using a closed tempered loop cooling system that circulates water from two of the eight submerged combustion vaporizers (SCVs) through the engine room and back to the SCVs, which reduces the seawater intake volume by about 60 percent. The seawater cooling system would remain in place to serve as a backup system during maintenance of the SCVs or when the inert gas generator is operating. Section 2.2.2.4 contains a description of the proposed uptakes and water uses for the FSRU.

Section 4.7.4 contains information on uptake volumes and potential impacts of seawater uptake and discharge on marine biota, including ichthyoplankton from intake of seawater and, from thermal discharges of cooling water. The ichthyoplankton impact analysis (Appendix H1) includes both literature results and data from California Cooperative Oceanic Fisheries Investigations (CalCOFI) surveys. CalCOFI surveys have been consistently collected over a period of time and are the best scientific data currently available.

T002-149

T002-150

T002-149

To date, there has never been a large spill of LNG to water. Conducting a large LNG spill to validate the models would result in adverse environmental consequences. However, models are commonly validated using experimental data. Section 2.3.4.2 of Appendix C1 contains information on tests executed by the U.S. Department of Energy and the calibration/verification of the Fire Dynamics Simulator model used in the Independent Risk Assessment. Appendix C1 provides additional information on this topic and Appendix C2, prepared by the U.S. Department of

Energy's Sandia National Laboratories, contains information on the review and assessment of the models used.

T002-150

Section 4.7.4, Impact BioMar-6 discusses the potential impacts of an accident on marine biota. The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. A closed loop tempered water system would replace the seawater cooling system. Section 4.7.4 discusses uptake volumes and potential impacts of seawater uptake and discharge, including those on ichthyoplankton from intake of seawater, and those on water quality and the marine environment from thermal discharges of cooling water. Section 2.2.2.4 contains a description of the proposed uptakes and water uses for the FSRU.

111

1 sea, it's going to wash into shore. You know, I walked on
 2 the beach the other day and came back with tar. There's
 3 more shipping traffic than there ever has been, and it is
 4 now affecting our shoreline in a really sad way.

5 Thank you.

6 (Applause.)

7 MODERATOR GRANT: The next group of people, Ozzie
 8 Silna, Larry Wan, Steve Uhring, John J. Ulloth, and Remy
 9 O'Neill.

10 Again, the names. Ozzie Silna, Larry Wan, Steve
 11 Uhring, John J. Ulloth, and Remy O'Neill.

12 Please begin, sir, state your name.

13 MR. WAN: My name is Larry Wan. We have a number
 14 of speakers speaking to this issue.

15 MODERATOR GRANT: Speak into the microphone,
 16 please.

17 MR. WAN: My name is Larry Wan and I have a whole
 18 group of speakers that follow me, speaking to this issue.
 19 I've submitted a detailed text with references to scientific
 20 findings, to my statements.

21 First of all, the premise that there's an urgent
 22 need for more fossil fuel needs to be questioned and
 23 reexamined. The demand is completely market driven by a few
 24 fossil fuel companies who see huge profits by creating a
 25 market for another fossil fuel.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-151

Section 4.3.4 contains information on potential impacts associated with the increased vessel traffic due to the proposed Project and mitigation measures to address such impacts.

T002-152

T002-151

Mr. Wan's written comments, and responses to the comments, are in 2006 Comment Letter P200.

T002-153

Sections 1.2.2 and 1.2.3 contain updated information on natural gas needs in the U.S. and California. Forecast information has been obtained from the U.S. Department of Energy's Energy Information Agency and from the California Energy Commission.

T002-152

T002-153

112

1 These proceedings are premature and precipitous on
 2 the part of this Panel. You should first be demanding an
 3 honest assessment by the Energy Commission, backed up by
 4 figures that can be confirmed and by public hearings on the
 5 need in the first place, and to avoid making us victims of
 6 another manipulative scam, similar to the electricity crisis
 7 that bankrupted this State.

8 Significant levels of conservation and energy
 9 efficiency can and should be implemented and thoroughly
 10 analyzed in the EIS alternative section. It was not.

11 We consume 10 to 20 times more energy, and
 12 especially fossil fuel per capita, than any other nation.
 13 Our addiction to fossil fuel makes us the biggest
 14 contributor to global warming.

15 We're addicted to easy energy. Feeding addiction
 16 does not help cure it. We cannot break a cocaine addiction
 17 by serving up more heroin.

18 In discussing the impacts of any terminal, you
 19 cannot decouple it from the effects of using natural gas,
 20 itself.

21 The EIS must contain an analysis of the
 22 environmental and health impacts of increasing the use of
 23 natural gas. It does not.

24 Natural gas is a fossil fuel that has a double
 25 whammy when it comes to global warming. Methane, the

T002-154

Section 1.2.3 discusses the use of the most recent information published by the CEC in its 2005 Integrated Energy Policy Report.

T002-155

Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan.

Sections 3.3.1 and 3.3.2 address conservation and renewable energy sources, within the context of the California Energy Commission's 2005 Integrated Energy Report and other State and Federal energy reports, as alternatives to replace additional supplies of natural gas.

T002-156

Sections 4.6.1.4 and 4.6.2 contain information on Project emissions of greenhouse gases and recent California legislation regarding emissions of greenhouse gases.

T002-154

T002-155

T002-156

T002-156 Continued

113

1 primary component of natural gas, burns into carbon dioxide,
2 a major greenhouse gas.

3 However, in addition, methane, itself, is a
4 greenhouse gas that, according to the EPA, traps over 21
5 times more heat per molecule than carbon dioxide.

6 According to the EPA, methane from leakage during
7 the transportation and extraction of natural gas is second
8 to carbon dioxide as the most abundant greenhouse gas.

9 As a coastal State, we should be especially
10 concerned about rising sea levels through global warming and
11 the enormous property loss consequences.

12 We cannot exonerate or dismiss any dealer of
13 fossil fuel addiction from complicity and contribution to
14 this serious class one, irreversible, and unmitigable
15 impact.

16 In consideration of that, alone, can anyone give
17 me a good reason why we should proliferate our consumption
18 of natural gas.

19 Let me give you some other reasons why we should
20 not. Contrary to what they want us to believe, natural gas
21 it not a clean fuel.

22 MODERATOR GRANT: Your time.

23 (Applause.)

24 MODERATOR GRANT: The next speaker, please.

25 MR. ULLOTH: Studies by Cal Tech and others show

T002-156
Continued

T002-157

T002-157

Thank you for the information.

T002-158

Your statement is included in the public record and will be taken
into account by decision-makers when they consider the proposed
Project.

T002-158

114

1 it as actually dirty, that natural gas contains radon and
 2 other radioactive compounds, carcinogen, organic metallic
 3 compounds, benzene, xylene, and heavy metals.

4 Further, liquefying of natural gas is a waste. Up
 5 to 40 percent of the energy in natural gas is lost in
 6 liquefying natural gas and bringing it back, not counting
 7 bringing it across the ocean.

8 Safe Drinking Water and Toxic Enforcement Act of
 9 1986, commonly referred to as Prop. 65, requires the
 10 government to publish a list of chemicals known to the State
 11 to cause cancer, birth defects, and reproductive harm, and
 12 requires California business to warn the public of potential
 13 exposure to these chemicals, which result in their
 14 operations.

15 Natural gas can contain radon and benzene,
 16 chemicals known to the State of California to cause cancer.
 17 Also contains triolein, a chemical known to the State to
 18 cause reproductive harm. Have you seen warning signs from
 19 the Governor on natural gas facilities in operations? What
 20 is the Governor hiding from us.

21 Besides the greenhouse gas, carbon dioxide, and
 22 other products generated from the combustion of natural gas,
 23 including nitric acid, carbon monoxide, hydrocarbons,
 24 volatile organic compounds and fine organic particles.

25 Gas-fired, natural power plants, vehicles, et

T002-159

T002-159

Section 2.2.1 contains information on the properties of natural gas to be imported by the proposed Project, which would meet California's requirements for pipeline-quality gas throughout Project operations and confirmed through testing of every shipment.

T002-160

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T002-160

T002-160 Continued

115

1 cetera, emit sulfur dioxide and nitrogen oxides that
2 contribute to acid rain and ground level ozone, both of
3 which can damage forest and agricultural crops. Nitrous
4 oxide absorbs 270 times more heat per molecule than carbon
5 dioxide, again contributing to global warming.

6 Natural gas also produces products that can create
7 serious health hazards. Ground level ozone has been linked
8 to a range of respiratory illnesses. More recently ground
9 level ozone has been linked to the development of childhood
10 asthma, the most chronic disease among children.

11 Possibly, the more troubling is the emission of
12 fine particles from gas-fired power plants, fine
13 particulates, PM 2.5, is defined as an atmospheric particle
14 with a diameter of 2.5 micrometers or less. EPA estimates
15 that 77 percent of particulates from natural gas plants are
16 dangerously small. These fine particles even have a greater
17 impact on human health, than the larger, visible particles
18 from smog and burning gasoline, because they bypass the
19 body's natural respiratory filters and end up deep in the
20 lungs.

21 In fact, many studies have shown no safe limit to
22 exposure to these substances. Because of their fine size,
23 fine particles penetrate into deeper structures in the lungs
24 and chronically and acutely affect human health, aggravate
25 pulmonary or cardiovascular disease, affect mucosclary

T002-160
Continued

T002-161

Thank you for the information. The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

T002-161

116

1 clearances and increase mortality.

2 Any additional, unmitigated impact from the
3 terminal, itself, has also not been analyzed.

4 Lighting from an offshore LNG terminal,
5 construction and operations adversely affect a wide variety
6 of species.

7 MODERATOR GRANT: Sir, your time is up. And, for
8 the record, I didn't hear you state your name. Could you
9 state your name?

10 MR. ULLOTH: John Ulloth, U-l-l-o-t-h.

11 MODERATOR GRANT: Thank you.

12 MR. UHRING: Steve Uhring, Harbor Vista Drive.
13 I'm going to continue the presentation.

14 These animals are also affected by other hazards
15 once attracted to lights. Many fish species are also
16 attracted to lights. This causes them to surface where they
17 are vulnerable to increased predation.

18 Our fish stocks are plummeting and cannot be
19 subjected to additional impacts.

20 Finally, if we're going to import foreign natural
21 gas, we should consider the whole chain of custody and not
22 just when it arrives within our boundary.

23 Therefore, the environmental justice issue is far
24 more than whether or not pipelines cross minority
25 communities in Oxnard.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-162

Chapter 4 analyzes all impacts by resource. Section 5.2 provides a list of Project impacts that cannot be mitigated to less than significant.

T002-163

Impact BioMar-3 in Section 4.7.4 contains information on Project lighting impacts on marine life.

T002-164

Impact BioMar-3 in Section 4.7.4 contains information on Project lighting impacts on marine life.

T002-165

Executive Order 12114, Environmental Effects Abroad of Major Federal Actions, requires Federal agencies to consider the potential environmental effects of major Federal actions that could significantly affect the global commons outside the jurisdiction of any nation. Executive Order 12114 is not applicable to the extraction and development of natural gas in foreign countries.

An evaluation of the Project's environmental effects abroad must also be viewed within the context of section 15040 of the State CEQA Guidelines, which specifically defines and correspondingly limits the authority provided to State and local agencies under the CEQA.

The Applicant has stated that the source of the natural gas for this Project would be either Australia, Malaysia, or Indonesia. As these countries are sovereign nations, the Applicant would be required to comply with those countries' applicable environmental laws and regulations pertaining to the extraction and development of natural gas fields as well as those pertaining to the liquefaction and transfer of LNG to LNG carriers. Consideration of the Applicant's compliance with a foreign nation's applicable laws and regulations is beyond the scope of this EIS/EIR.

The Applicant has indicated that the Scarborough natural gas field in the state of Western Australia could be a potential source of natural gas for the Project. In May 2005, the Honourable Ian Macfarlane, the Australian Federal Minister for Industry, Tourism and Resources, stated, "Development of the Scarborough Field and related support facilities must be carried out in accordance with applicable laws and regulations of both the Australian Government (federal) and the State Government in Western Australia. Any activities will be subject to assessment and approvals under the applicable environmental legislative regimes. These include, among

others, the Commonwealth Environment Protection and Biodiversity Conservation (EPBC) Act 1999, governing matters of national environmental significance, and, under State legislation, the Western Australian Environmental Protection Act 1986. The objectives of the Commonwealth's environmental regulatory regimes are to provide for the protection of the environment and ensure that any petroleum activity is carried out in a way that is consistent with the principles of ecologically sustainable development." (Appendix L contains a copy of this letter.)

Section 1.3 has been revised to include information on Indonesian and Malaysian environmental requirements that would regulate impacts related to producing and exporting natural gas. All three countries have existing LNG liquefaction facilities.

1 The greatest environmental justice is the rush to
2 extract natural gas by destroying pristine wetlands,
3 mangrove and forest habitats.

4 The destroying of functioning, undisturbed
5 ecosystems robs local communities, especially mostly the
6 established ones, of the critical life-sustaining ecosystem
7 services that depend upon -- that they depend upon, such as
8 basic food and water.

9 To compound the injury, these communities are also
10 subject to the hazards of accidental release of concentrated
11 H2S, from blowups of natural gas wells, which have high
12 levels of H2S.

13 The acute toxicity of this means they may have
14 serious effects on the health of those nearby human
15 populations.

16 Natural gas, which often has high concentrations
17 of H2S, requires removal from the crude gas -- removal from
18 the crude gas and refineries. These refineries emit H2S and
19 SO2, sulfur dioxide, into the atmosphere.

20 If we are to play in the game of global economy,
21 if we are to consume a resource in someone else's backyard,
22 we have a moral imperative to take responsibility for any
23 global environmental consequences and injustices.

24 This is not just a nimby issue, this is more than
25 not in Pt. Dume's backyard, or not in Oxnard or Oxnard's

T002-165
Continued

T002-165 Continued

118

1 neighbor's backyard. It is also not in our neighbor's
2 backyard across the sea. It is not on this planet, period.

3 This Commission not only has the ability to deny
4 this EIS, as inadequate, it has the duty to do so. Thank
5 you very much.

6 (Applause.)

7 MODERATOR GRANT: Ozzie Silna, followed by Remy
8 O'Neill, followed by Jessica Stefan.

9 MR. SILNA: Ozzie Silna, Malibu Coastal Land
10 Conservancy. I'd like to go ahead and express special
11 thanks to the California Coastal Protection Network for
12 retaining the Environmental Defense Center to go ahead and
13 do the studies regarding the EIS and the EIR. They're doing
14 a wonderful job. Those are the people that spoke earlier,
15 and they will continue to go ahead and study this, and
16 report on all of the issues that should be reported to the
17 Land Commission and to the Coast Guard, to inform them of
18 all of the things that have not been appropriately done.

19 I'm extrapolating just one paragraph, here, from a
20 fact sheet that the Environmental Defense Center put
21 together.

22 "Does California have better
23 alternatives. Energy conservation and
24 efficiency could provide California with
25 more than twice the energy supply by one

T002-165
Continued

T002-166

T002-166

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-167

Sections 3.3.1 and 3.3.2 address conservation and renewable energy sources, within the context of the California Energy Commission's 2005 Integrated Energy Report and other State and Federal energy reports, as alternatives to replace additional supplies of natural gas.

T002-167

119

1 LNG terminal, without increasing our
 2 foreign dependence or aggravating global
 3 warming. Expanding our use of climate
 4 safe renewable energy sources, like
 5 wind, solar, geothermal, and biomass to
 6 levels already mandated by California
 7 State law, would provide more than
 8 enough energy to meet projected demand.
 9 Such sources would increase our energy
 10 independence, reducing reliance on
 11 foreign supplies. Existing American and
 12 Canadian natural gas supplies can more
 13 than meet Californian's gas needs."

14 Incidentally, about three weeks ago I was watching
 15 C-Span and there was a study conducted by our Senate, and
 16 they were interviewing a group of people that they had hired
 17 to go ahead and do some investigatory work. And the first
 18 report was being done by a law firm, and I don't remember
 19 the name of the law firm, but they reported that with the
 20 natural gas that is currently available to us, we don't have
 21 a need for another 40 to 50 years. Thank you.

22 (Applause.)

23 MODERATOR GRANT: Remy O'Neill, followed by
 24 Jessica Stefan, Harriet Pollon, Dusty Peak, Ed Gilliespie,
 25 and Trevor Smith.

T002-168

Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan. Sections 3.3.1 and 3.3.2 address conservation and renewable energy sources, within the context of the California Energy Commission's 2005 Integrated Energy Report and other State and Federal energy reports, as alternatives to the Project.

T002-168

T002-169

Thank you for the information.

T002-169

120

1 MS. O'NEILL: Hi, I'm Remy O'Neill, I've lived in
2 Malibu for 28 years.

3 I would just like to focus on why this Panel is
4 actually here tonight. We're here because of business.
5 We're here because of money. That we have gotten this far
6 because a huge company wants to do business here and make
7 money, while all of these residents come and have to grovel,
8 to try to convince you of why it's not safe, is amazing to
9 me. Ultimately, it's about money.

10 There is no risk, there's no big line of residents
11 in this United States that have descended upon Washington
12 D.C., begging for this to happen, begging for this facility
13 to come and take care of their needs. We have not done
14 that.

15 (Applause.)

16 MS. O'NEILL: And so when they astutely say that
17 they're going to fill our needs, we're telling you, no,
18 they're not. They're going to fill their pocketbooks,
19 that's what they're going to fill.

20 And when you talk about safety, they can't
21 guarantee it.

22 If you look at the Alaska pipeline, we all know
23 about Valdez, but what's not known, what all the people
24 here, and it's very quiet, very quiet, is that there are
25 another 2,300 plus spills, all little ones.

T002-170

Sections 4.2.4, 4.2.7.3, and 4.2.8.2 identify agencies with the authority and responsibility for safety standards, design reviews, and compliance inspections. Section 2.1 and Appendix C3-2 identify applicable safety standards. Section 4.2.8.4 discusses the estimated risk of Project pipeline incidents. Section 4.13.1 contains information on sensitive land uses in proximity to proposed and alternative pipeline routes, such as schools. There are no schools in the immediate vicinity of either of the proposed pipeline routes. Section 4.2.8 describes regulations regarding pipelines, including the requirement to establish public education programs to prevent and respond to pipeline emergencies. Section 4.2.8.4 contains information on the estimated risk of Project pipeline incidents. Section 4.16.1.2 describes emergency planning and response capabilities in the Project area.

Section 4.11 contains information on seismic and geologic hazards. Appendices J1 through J4 contain additional evaluations of seismic hazards.

Table 4.2-2 identifies representative hazards and threats considered in the public safety analysis. Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks.

T002-170

T002-170 Continued

121

1 And I have to reiterate that wonderful speaker
2 from Calabasas, there is no pipe that doesn't leak. There
3 is no pipe that cannot be broken. There is no pipe that
4 cannot be fractured with an earthquake. And there's nobody
5 here that's gone to terrorist school, but it doesn't take a
6 leap of faith or a rocket scientist to know that that's one
7 of the first things I'd be looking at to do major damage.

8 When the man from the Australian Embassy was
9 speaking, and we talk about being good friends, this is not
10 just a case of having a beer and throwing another shrimp on
11 the barbie, okay. My friends don't try to make a buck off
12 me. My friends don't put my family in jeopardy. And if
13 they did, my first priority would be to protect my family.

14 You are looking at my family. And you, as a
15 Panel, are charged with doing a job. You are also charged
16 as human beings, with protecting other human beings. You
17 are charged as a citizen of this planet to do the right
18 thing by all speaking. Say no to this damn thing.

19 MODERATOR GRANT: Your time is up.

20 (Applause.)

21 MODERATOR GRANT: Jessica Stefan.

22 MS. STEFAN: That's a hard one to follow, but
23 I'll give it a shot.

24 My name is Jessica Stefan, I'm a resident of
25 Malibu, and I'm here to represent the Malibu Chapter of the

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-170
Continued

T002-171

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

| T002-171

122

1 Surfrider Foundation.

2 As you may know, Surfrider Foundation is an
3 organization of 50,000 grass roots volunteers, all dedicated
4 to the restoration and protection of our coast and ocean.

5 We share many of the concerns about this project
6 expressed by the environmental community, and we will be
7 submitting those comments in writing.

8 But we want to highlight one overriding concern
9 today. We think what's missing is a comprehensive
10 alternative analysis. We believe that the demand for LNG
11 importation is poorly articulated and may be skewed by the
12 business interests of project proponents, rather than the
13 real public interest.

14 Nonetheless, even assuming a demand for LNG, the
15 process for reviewing this proposal is being considered
16 outside the context of what's happening region-wide.

17 We are aware of several proposals for LNG
18 importation and delivery in the region. Each of these
19 projects envisions very different technologies and
20 structures, as well as locations.

21 We feel very strongly that this environmental
22 review process is fatally flawed if it doesn't incorporate a
23 comprehensive review of the competing proposals to meet the
24 same goal.

25 In essence, the environmental review is asking us

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-172

Thank you for the information.

T002-173

Both NEPA and the CEQA require the consideration of alternatives to a proposed project. A lead agency's lack of jurisdiction over a potential alternative is one factor that it may consider in determining if a potential alternative is feasible, reasonable, and merits detailed study in an EIS/EIR. Whether a potential alternative is purely hypothetical or speculative, or whether the potential alternative can be accomplished in a successful manner in a reasonable period of time are additional factors the lead agency may consider in assessing the feasibility and reasonability of the potential alternative.

T002-172

T002-173

From a NEPA perspective, while a Federal agency must analyze "a range of reasonable alternatives" (as opposed to any and all possible alternatives), and may be required to analyze an alternative that is outside the capability of an applicant and that is outside the jurisdiction of the agency, the threshold question in determining whether to analyze any alternative is whether that alternative would be a "reasonable" alternative. Reasonable alternatives include those that are practical and feasible from the technical and economic standpoint and using common sense (CEQ 40 Questions; #2a).

T002-174

T002-175

To provide for an effective "hard look" at the alternatives the agency must limit the range to those alternatives that will best serve the environmental review process, and not needlessly examine and discuss in depth remote or speculative alternatives that that discussion does not facilitate a better decision making process. As stated in 40 CFR 1502.14(a), the EIS should "rigorously explore and objectively evaluate all reasonable alternatives, and for alternatives which were eliminated from detailed study, briefly discuss the reasons for their having been eliminated."

Section 15126.6(a) of the State CEQA Guidelines states, in part, "[t]he Lead Agency is responsible for selecting a range of project alternatives for examination and must publicly disclose its reasoning for selecting those alternatives." The California Supreme Court in the Citizens of Goleta Valley case recognized that while an agency's jurisdiction was only one factor to consider, "[t]he law does not require in-depth review of alternatives that cannot be realistically considered and successfully accomplished." In addition, the discussion in section 15364 in the State CEQA Guidelines states that "[t]he lack of legal powers of an agency to use in imposing an alternative or mitigation measure may be as great a

limitation as any economic, environmental, social, or technological factor."

Chapter 3 discusses energy conservation, efficiency, and renewable sources of energy, and explains why these potential alternatives were not studied in detail in the EIS/EIR. The range of alternatives studied in detail is reasonable and conforms to NEPA and the CEQA requirements.

T002-174

Sections 1.2.2 and 1.2.3 contain updated information on natural gas needs in the U.S. and California. Forecast information has been obtained from the U.S. Department of Energy's Energy Information Agency and from the California Energy Commission.

T002-175

Section 1.1.1 contains information on the process used by the Deepwater Port Act (DWPA) of 1974, as amended, which establishes a licensing system for ownership, construction and operation of deepwater port (DWP) facilities. As discussed, the role of the Maritime Administration (MARAD) is to balance the Congressionally imposed mandates (33 U.S.C. 1501) of the DWPA, including those to protect the environment; the interests of the United States and those of adjacent coastal states in the location, construction, and operation of deepwater ports; and the interests of adjacent coastal states concerning the right to regulate growth, determine land use, and otherwise protect the environment in accordance with law.

At the same time, the California State Lands Commission (CSLC) is reviewing the application to ultimately decide whether to grant the Applicant a lease to cross State sovereign lands. As described in Section 1.2.1, "[t]he CSLC authorizes leasing of State lands to qualified applicants based on what it deems to be in the best interest of the State in compliance with the [California Environmental Quality Act]."

Section 1.1.2 contains information on the Governor of California's role in DWP licensing. As discussed, MARAD may not issue a license without the approval of the Governor of the adjacent coastal state (33 U.S.C. 1503(c)(8)). Section 1.1.3 contains information on the role of the U.S. Environmental Protection Agency (USEPA): "[t]he Port must meet all Federal and State requirements and is required to obtain air and water discharge permits from the USEPA." Section 1.2.1 contains additional information on Federal and State responsibilities. Section 1.1.4 contains information on the role of the CSLC to consider whether or not to grant a lease of

State lands for the subsea pipelines. The lease may also include conditions relating to those parts of the Project not located on the lease premises. As described in Section 1.3.1, one of the main purposes of the EIS/EIR for MARAD is to "(f)acilitate a determination of whether the Applicant has demonstrated that the DWP would be located, constructed, and operated in a manner that represents the best available technology necessary to prevent or minimize any adverse impacts on the marine environment."

The USEPA, the U.S. Department of Commerce, including NOAA's National Marine Fisheries Service (NMFS or NOAA Fisheries Service), and the U.S. Department of the Interior, including the Minerals Management Service and the U.S. Fish and Wildlife Service, are cooperating Federal agencies.

As discussed in Section 1.3.2, for significant impacts, the CSLC must adopt a Statement of Overriding Considerations to approve the Project if the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects (State CEQA Guidelines section 15093(a)). After the CSLC's decision, other State and local agencies may take actions on the Project, i.e., on related permits or necessary approvals. These agencies include the California Public Utilities Commission, the California Coastal Commission, the California Department of Fish and Game, the California Air Resources Board, the Los Angeles Regional Water Quality Control Board, the California Department of Transportation, the City of Oxnard and/or Ventura County (for the onshore part of the Project within the coastal zone), and local air quality control districts such as the Ventura County Air Pollution Control District and the South Coast Air Quality Management District. Section 1.4.2 contains information on the changes to the proposed Project that have been made during the environmental review process.

Section 1.5 contains information on opportunities for public comment. After the MARAD final license hearing, the public will have 45 days to comment on the Final EIS/EIR and the license application. The Federal and State agencies will have an additional 45 days to provide comments to the MARAD Administrator. The Administrator must issue the Record of Decision within 90 days after the final license hearing. The CSLC will hold a hearing to certify the EIR and make the decision whether to grant a lease. The California Coastal Commission will also hold a hearing. Comments received will be evaluated before any final decision is made regarding the proposed Project.

California Senate Bill 426 (Simitian), which would have created a

ranking process for different LNG projects, was re-referred to the California Assembly Committee on Utilities and Commerce on August 24, 2006. As of November 30, 2006, the Legislature's Current Bill Status shows it as "From Assembly without further action," which ended the consideration of the bill during the 2005-06 Legislative Session.

T002-175 Continued

123

1 to comment on impacts, without giving us all the
 2 alternatives. We are being asked to consider whether this
 3 project adequately avoids significant environmental impacts
 4 that compare to what?

5 I want to emphasize this is the kind of
 6 information that is critical to meeting the spirit of CEQA
 7 and NEPA. We can make fully informed decisions when we are,
 8 in fact, fully informed.

9 If the project proponent is just meeting the bare
 10 minimum that they believe these important laws require, then
 11 you leave us with no choice but to oppose the project,
 12 itself.

13 If you truly believe that this proposal is the
 14 best way to meet the goal of importing LNG and avoiding
 15 environmental impacts, then they shouldn't be opposed to a
 16 comparison with other means of accomplishing that goal.

17 The compared to what question is fundamental to
 18 sound public policy and proper planning. Without a
 19 comprehensive review of the competing proposals, we are left
 20 with a process that rewards the first project to get review,
 21 not necessarily the best project. This is a potential race
 22 to the bottom.

23 Thank you for this opportunity to share our
 24 concerns.

25 (Applause.)

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-175
Continued

T002-176

T002-177

T002-176

Sections 1.2.2, 1.2.3, 1.2.4, 1.2.5, and 3.3 contain information on the adequacy of alternatives. As stated in Section 1.1.1, "One of the mandates of the DWPA is to 'promote the construction and operation of deepwater ports as a safe and effective means of importing oil or natural gas into the United States and transporting oil or natural gas from the outer continental shelf while minimizing tanker traffic and the risks attendant thereto.' The mandate serves to define the constraints within which MARAD and the USCG evaluate the purpose and need for a project under the DWPA. The MARAD and the USCG must also respond to a specific application that has been filed."

Under NEPA and the CEQA, a reasonable range of alternatives must be considered to permit a reasoned choice of alternatives with respect to their environmental aspects. Information on the alternatives has been added in several sections. However, NEPA and the CEQA do not dictate an amount of information to be provided but rather prescribe a level of treatment, which may in turn require varying amounts of information to enable reviewers and decision-makers to evaluate and compare alternatives. As discussed in Sections 3.3.1 and 3.3.2, energy conservation and use of renewable energy sources do not meet the projected energy needs of California, as determined by the California Energy Commission.

The projected energy gap is to be filled by seeking additional supplies of natural gas, including LNG. The Project goal of supplying natural gas to California and the nation over short- and mid-term timeframes and diversifying the supply of natural gas should be viewed in this context.

Section 3.2 identifies the range of alternatives considered. Section 3.3 discusses 18 potential locations for the deepwater port. It builds on previous California Coastal Commission studies that evaluated nearly 100 locations. In addition, Table 3.2-1 identifies six alternative technologies that are evaluated. The selection of the No Action Alternative by decision-makers, for which they have full discretion, would not fulfill the purpose and need of the Project to supply natural gas to California consumers but would maintain, for an indeterminate time, the status quo of California's and the nation's existing and projected energy supply mix, including conservation and renewable energy sources.

T002-177

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-178

Thank you for the information.

T002-179

Section 4.17.4 contains information on potential transportation impacts and mitigation measures to address impacts. Section 2.5 describes construction and installation of the FSRU and Section 2.6 describes construction and installation of the offshore pipelines and shore crossing. Section 2.7 discusses installation of the onshore pipeline in Oxnard, Ventura County, and Santa Clarita. No traffic changes are anticipated in Malibu because no portion of the Project occurs in Malibu.

124

1 MODERATOR GRANT: Harriet Pollon. Harriet Pollar,
2 P-o-l-l-a-r, perhaps.

3 MS. POLLON: U-m.

4 MODERATOR GRANT: Could you spell your name for
5 the record, please?

6 MS. POLLON: Yes, my name is Harriet Pollon, P-o-
7 l-l-o-n.

8 I've been a Malibu resident for 34 years. Before
9 there was the City of Malibu, there was the Malibu Township
10 Council, and for seven years I served as its Director of
11 Transportation. My job was the safety of the Pacific Coast
12 Highway.

13 During that time, in 1981, we got a ban that
14 eliminated all four-axle trucks from the highway. People
15 thought it couldn't be done, it took seven years to do it,
16 but we did it, and that's why you don't see trucks today.

17 So imagine my surprise when I went to the library
18 and read through the entire EIR, looking for those sections
19 that applied to traffic, and this is what I found.

20 "For the first 45 days there will be 24
21 hours a day of construction on this
22 facility. They anticipate it takes
23 seven months to complete it. It will
24 take 400" -- according to your report --
25 "450 truck trips to complete this."

T002-178

T002-179

125

1 Now, aside from having lived in Malibu for 34
2 years, and watched the situation on the Pacific Coast
3 Highway, I was amazed to find that the report didn't say one
4 word about traffic on the Coast Highway.

5 You should all be ashamed of this. This is going
6 to impact every single person who uses the Coast Highway,
7 and where is that part of the report? Missing.

8 (Applause.)

9 MS. POLLON: Now, aside from the fact that
10 everybody here knows how vital the Pacific Coast Highway is
11 to traffic that is going up and down the coast, imagine it
12 being stopped for construction on this facility.

13 I worked in Oxnard for 18 years, at Channel
14 Islands High School, and my husband is the principal of
15 Oxnard High School right now. Oxnard has over-developed
16 itself. Its traffic on its streets are in gridlock. It
17 takes us less time to get from my house, in the Canyon, up
18 to Oxnard, than it takes to go over the streets of Oxnard.
19 The streets of Oxnard don't have room for 400 to 450 trucks.

20 Where is the part of the EIR that addresses the
21 part that deals with Oxnard? Where is the part that deals
22 with Malibu? What are you going to do with those trucks?

23 We may not be able to do anything that's going on
24 out in the water, but a lot of the stuff that's going out in
25 the water is coming over our road. Malibu beware, this is

T002-179
Continued

126

1 where the real danger to us stands. Thank you.

2 (Applause.)

3 MODERATOR GRANT: Thank you. I want to do a quick
4 call, we're going to keep moving. Dusty Peak, followed by
5 Ed Gilliespie, followed by Trevor Smith.

6 MR. PEAK: This one?

7 MODERATOR GRANT: Yes.

8 MR. PEAK: Yeah, Dusty Peak, Pt. Dume.

9 MODERATOR GRANT: Put it up to your mouth.

10 MR. PEAK: I'm really impressed with the safety
11 record of this LNG transportation from all the experts, and
12 one of my questions is why do we have to put it 14 miles out
13 in the ocean if it's so safe? Why can't we just bring the
14 tankers right into Long Beach and unload it? It's safe,
15 they told us it was so safe.

16 You know, the Santa Monica Bay is an impaired
17 water body, Regional Water says, and the Santa Monica Bay
18 extends clear up to Pt. Mugu. And we, in Malibu, are in the
19 process of cleaning up our streams, and the runoff of the
20 outfalls from the roads and everything else, and it's going
21 to cost a lot of money to quite a few of us to clean up this
22 Santa Monica Bay.

23 And it seems that this project, 14 miles off of
24 Pt. Dume, is going in the exact opposite direction.

25 Freighter ships, and I don't know how many people

T002-180

Section 4.2 and Appendix C contain information on public safety. The lead agencies directed the preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C. (Section 4.2, Appendix C1, and Appendix C2 contain additional information on this topic.)

T002-181

Thank you for the information.

T002-180

T002-181

127

1 have been in the ocean very often, but when you get in the
 2 bilge of a freighter ship, or get in when they dump all
 3 their shit and just pump it out in the ocean, it's foul.
 4 And these guys, it happens. You know, it's oil, it's shit,
 5 it's whatever's in the bilge, they turn on the pumps and
 6 there it is, and it's just a big scum.

7 And I don't know what they call that, and it
 8 happens all the time.

9 And in Santa Barbara, still, I forget when that
 10 big oil spill was in Santa Barbara, in the sixties,
 11 maybe -- '69, today there is still globs of oil coming up,
 12 that have been caught in rocks, and the surf gets big, and
 13 all of the sudden here's some more globs of oil on my feet,
 14 you know, walking on the beach.

15 And we don't need this. And the Santa Monica
 16 Mountains is a place where people, millions of people in the
 17 L.A. basin can come and see nature, you know, and look out
 18 at the ocean like it was meant to be looked at, without
 19 looking at an 11-story building, or whatever the hell this
 20 thing is.

21 You know, Malibu's between Santa Barbara to
 22 Tijuana, I'm going to suspect, Malibu is one of the few
 23 places where there's open space. Twenty miles of the Santa
 24 Monica Mountains is there for, you know, millions of people
 25 to enjoy and to look at the ocean.

T002-182

Sections 4.18.1, 4.18.2, and 4.18.4 discuss the water quality issues of the proposed Project.

T002-182

T002-183

Section 4.4 contains information on the Project's visual aspects, impacts, and mitigation. See Impact AES-1 in Section 4.4.4. Additional simulations are included in Appendix F. Figure 2.2-1 shows the height of structures above the loaded waterline, which is also discussed in Section 4.4.1.1.

T002-183

128

1 And I just feel this thing is a mistake all the way
 2 around, and all you guys there got to do is say no.
 3 (Applause.)
 4 MODERATOR GRANT: Ed Gilliespie.
 5 MR. GILLIESPIE: Is this the microphone, here?
 6 MODERATOR GRANT: Yes.
 7 MR. GILLIESPIE: Best case scenario, this project
 8 is going to pollute our air, it's going to pollute our
 9 waters, it's going to be an eyesore offshore, it's going to
 10 change our whole Malibu way of life, as well as impacting
 11 our property values.
 12 Worst case scenario, this explosion that may
 13 happen, and it's called a pool fire, maybe a terrorist
 14 attack, maybe an accident, this is a new project for these
 15 people, they don't know what's going to happen with this.
 16 They certainly don't want it over where they are. It's
 17 going to be here, they'll do their experiments.
 18 A pool fire is only going to go 7.3 miles away
 19 from the explosion. They did this projection with 4.5 mile
 20 an hour winds. Now, that's like saying a fire in Topenga,
 21 with no wind, will be put out and it's not going to go
 22 anywhere. You put some wind behind that fire, it's going to
 23 go to the ocean. This prevailing wind blows every day.
 24 The one guy said, well, it's nice you have
 25 offshore winds to keep all your pollution away from Malibu.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-184

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-184

T002-185

Sections 4.6.4 and 4.18.4 discuss the Project's potential impacts to air and water quality. Section 4.4 contains information on the Project's visual aspects, impacts, and mitigation. Additional simulations are included in Appendix F. Section 4.16.1.2 contains information on property values.

T002-185

T002-186

The Independent Risk Assessment (IRA), which was independently reviewed by the U.S. Department of Energy's Sandia National Laboratories, evaluates the consequences of a potential vapor cloud (flash) fire, as discussed in Section 4.2.7.6 and the IRA (Appendix C1). The IRA determined that the consequences of the worst credible accident involving a vapor cloud fire would be more than 5.7 NM from shore at the closest point, as summarized in Table 4.2-1. Figure 2.1-2, Consequence Distances Surrounding the FSRU Location for Worst Credible Events, depicts the maximum distance from the FSRU in any direction that could be affected in the event of an accident. The shape and direction of the affected area within the circle depicted in Figure 2.1-2 would depend on wind conditions and would be more like a cone than a circle, but would not reach the shoreline. Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks.

T002-186

Section 4.1.8 discusses wind speed and weather conditions. "2006 Independent Risk Assessment" in Section 4.2.7.6 discusses the consideration of wind speed in determining a worst credible case event and states, "higher wind speeds would cause the gas to dissipate more quickly to below the lower flammable limit; therefore, the potential impact distance would not be as great."

T002-186 Continued

129

1 We don't. That's a rare occasion. We have prevailing
2 winds. These winds go up to 40, 50 miles an hour. Your
3 explosion is going to end up in Malibu within minutes.

4 Okay, I love Australia. I go to Australia, I love
5 Maroochyidore, I have family there, I love Maluluba, there's
6 a yacht club there that I have reciprocity with. I love
7 Brizzy, I love Australia. You don't see these plants off
8 your shore and, Australia, why put them here, in Malibu.
9 You're going to destroy our way of life. Thank you very
10 much. Please consider this. And I know it's falling on
11 deaf ears, but have a heart.

12 Please consider withdrawing this project. I think
13 the public has ten more days, until the 28th, to be heard.
14 May 12th, we've got until May 12th to stop these people from
15 doing this to us.

16 Please, finally, we should have done this two
17 years ago. We should have been in here in force, 13,000
18 people. This will destroy our homes, this will destroy
19 Malibu, and it's an accident just waiting to happen. Thank
20 you very much.

21 (Applause.)

22 MODERATOR GRANT: Trevor Smith, followed by Dan
23 Zante, Kelly Myer, Lyndie Benson, Nicole Herschel, and Neal
24 Michael.

25 MR. SMITH: Trevor Smith. My parents are 40-year

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-186
Continued

T002-187

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-187

T002-188
Thank you for the information.

130

1 residents of Malibu. I lived here for 20 years and then up
2 in Ventura County for 20 years.

3 Two years ago I wrote to the Sierra Club, when I
4 first heard about this project and asked them, they are
5 going to do something about it. About six months later,
6 they made me the Chair of the LNG Task Force for Ventura
7 County, for the Sierra Club.

8 I've met all the players. I've met the 20
9 nonprofit environmental groups that are on our side. I've
10 met one or two environmental groups that are on the other
11 side.

12 And I just want to come here and express support
13 for the people of Malibu, for the City of Malibu, the people
14 of Oxnard and Ventura County, and the people of the City of
15 Oxnard, and the City, itself.

16 And I just want to let you know that the City told
17 us a year and a half ago that they were going to get
18 involved in this project, and they hired Aspen Consultants,
19 which is a well-renowned environmental impact company, and
20 they did extensive studies, an analysis on this report, and
21 they've turned out a 13-page comment on the 2006 revised
22 EIR, and they found 102 deficiencies in the EIR.

23 And the City of Oxnard is going to issue a letter
24 in opposition to this project.

25 And the bottom line, I can just cut to the chase,

T002-188

131

1 because they go through all of the issues from this
 2 disclosure of the pool fire scenarios not being modeled
 3 enough to reflect all the situations to the pipelines not
 4 being analyzed for explosions in Oxnard.

5 But the bottom line is that they have failed to
 6 comply with the CEQA law, which is to analyze all cumulative
 7 impacts. They failed to recognize that there's 46 -- or 43
 8 offshore oil facilities operating in the Channel Islands,
 9 Santa Barbara Channel area, and they fail to recognize these
 10 as alternative sources of pollution.

11 And, therefore, the bottom line from the City of
 12 Oxnard's consultants is, "we recommend that the cumulative
 13 analysis be revised in the FEIR/FEIS." Send it back for
 14 more study. Thank you.

15 (Applause.)

16 MODERATOR GRANT: Thank you. Dan Sante,
 17 S-a-n-t-e, I believe. Dan Sante, Sierra Club.

18 Okay, moving forward. Kelly Myer. Kelly Myer.

19 Okay, moving forward. Lyndie Benson. Lyndie
 20 Benson. L-y-n-d-i-e Benson, B-e-n-s-o-n.

21 Moving forward. Nicole Herschel.

22 It should be on, just put it to your --

23 MS. HERSCHEL: Hello. My name is Nicole Herschel,
 24 I also go by Nicole Rose. I'm representing Malibu Magazine,
 25 myself and my peers.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-189

Section 4.2 and Appendix C contain information on public safety. Section 4.2.8 addresses safety issues related to natural gas pipelines. Section 4.2.8.4 contains information on the estimated risk of Project pipeline incidents.

T002-189

T002-190

The cumulative impacts analysis has been conducted to account for those projects that are reasonable and foreseeable, in accordance with NEPA and the State CEQA Guidelines. See 40 CFR 1508.7 and section 15130 of the State CEQA Guidelines, with which the document complies. Existing facilities, whose related environmental impacts have already occurred and are thus reflected in baseline conditions described throughout the document, are not contemplated in the requirements of this section.

T002-190

132

1 We care about our water, we care about our air, we
2 do not want this here.

3 I grew up in Calabasas, I'm 25 years old this next
4 May. I spent every summer available to me in Malibu. I
5 used to take the beach bus when I was old enough to.

6 When I was old enough to live on my own, I moved
7 here. I would like to buy a home here and have children
8 here, to be able to appreciate the same wonderful things
9 that I appreciate every day when I drive through the canyon,
10 coming home from the barn.

11 I love three things, music, horses, and the ocean.
12 Please, please, I represent the younger people. This is
13 about us, and where we live, and where our children are
14 going to live, and their children.

15 Yes, we need energy, I appreciate that. Go for it
16 in other ways. Please do not let this happen.

17 (Applause.)

18 MODERATOR GRANT: Thank you. The next speaker,
19 Neal Michelis, followed by Kurt Odeon, Liz Lynch, Dick
20 Guttman, and Brian Eamer.

21 MR. MICHELIS: Hi, my name is Neal Michelis, I
22 live at County Line Beach, the closest place, land to this
23 facility.

24 You know, the Committee here, the Commission, your
25 responsibility is not to BHP Billiton, or Australia, but to

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-191

Thank you for the information.

T002-192

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-191

T002-192

133

1 the people of California, for our safety and to the
2 environment here, that is your primary responsibility.

3 They have a right to submit an application, but we
4 have a right to be safe. And your primary responsibility is
5 to look at that application and see whether it is
6 sufficient.

7 There's a lot of things that are deficient in the
8 EIR, too many to name, so many things that make me very
9 upset about this.

10 You know, I'm trying to build a house in the
11 hills, above County Line. Offgrid, solar-powered, wind-
12 powered house. I've been trying to get a permit for over
13 three years. I still do not have a permit to do that. This
14 project, if you guys approve it, will get approved in a
15 shorter amount of time than a solar-powered, single-family
16 residence. That is a real slap in the face, and it pisses
17 me off, I must say. I'm sorry to use that language, but it
18 does.

19 How can an industrial facility of this size, with
20 unknown dangers, that have not been outlined clearly enough,
21 not looked into, get approved faster than a solar-powered
22 home? It's unbelievable. But why does it happen? It
23 happens because they have a lot of money.

24 I do not have millions of dollars to lobby the
25 planning department in Ventura County to get my permit. You

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-193

Sections 1.1 and 1.2.1 discuss Federal and State jurisdiction and responsibilities for the deepwater port and associated infrastructure.

T002-193

T002-194

Thank you for the information.

T002-195

Sections 1.0 and 1.1 describe the deepwater port application and evaluation process.

T002-194

T002-195

134

1 know, if I did, I'm sure I would have been approved within a
2 couple weeks. But that's not the case.

3 So some of the deficiencies in the EIR that upset
4 me and I think are totally overlooked, the worst case
5 scenario that is looked at in this EIR is two of the three
6 tanks exploding. Why is that the worst case scenario,
7 wouldn't it be all three exploding would be the worst case
8 scenario? So they don't look at that possible scenario.

9 Also, if three tanks explode from terrorist
10 attack, whatever, and the thing came loose of its moorings,
11 it could be closer to land when all three tanks explode.

12 Or let's look at it another way, this thing is
13 right next to the shipping lanes. There is a lot of
14 traffic, unfortunately, and it is increasing up and down the
15 north and southbound shipping lanes through the Santa
16 Barbara Channel.

17 Now, if this thing explodes it is very likely, and
18 it says so in the EIR, that there could be up to three or
19 more tankers within that vicinity. What are their contents,
20 what is incinerated if it explodes and it is likely that
21 there would be tankers there. It's not even addressed, what
22 might those dangers be if other huge tankers are incinerated
23 by this.

24 MODERATOR GRANT: Your time is up.

25 MR. MICHELIS: Thank you.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-196

NEPA does not require "worst-case analysis" but does require the agency to prepare a summary of existing relevant and credible scientific evidence and an evaluation of adverse impacts based on generally accepted scientific approaches or research methods. However, the Independent Risk Assessment (IRA) (Appendix C1) defines and evaluates representative worst credible cases (scenarios of events that would lead to the most serious potential impacts on public safety). These included accidents that would affect one, two, or all three tanks of the FSRU.

T002-196

As shown in Tables 4.2-1, 4.2-2, 4.2-7, and 4.2-8, the release of the contents of all three tanks (the entire contents of the FSRU and an attending LNG carrier) is addressed in the escalation scenario associated with a large intentional event. Section 4.2.7.6 contains additional information on how intentional events are addressed. Although the 2006 U.S. Department of Energy's Sandia National Laboratories third-party technical review of the 2004 IRA found that the three-tank simultaneous release (a massive LNG release in a short time period) was not credible, Sandia recommended the consideration of a cascading (escalation) three-tank scenario.

T002-197

T002-197

If the FSRU were to become unmoored, the patrolling tugboats would be used to hold it in place. "Disabled Vessels and Anchorage" in Section 4.3.1.4 contains information on this potential situation and the actions that would be taken.

T002-198

T002-198

LNG carriers approaching and departing the Cabrillo Port FSRU would travel on the routes depicted in Figure 4.3-2 (also see Section 4.3.1.3). LNG carriers would neither cross nor enter the Santa Barbara Channel coastwise traffic lanes under normal operating conditions. The FSRU would be located about 2 nautical miles from the southbound coastwise traffic lane. Given this distance, its presence, under normal operating conditions, would not interfere with operations in the coastwise traffic lanes.

T002-199

LNG carriers and commercial vessels longer than 65 feet (20 m) would be equipped with an automatic identification system (AIS) so that they would be able to detect other LNG carriers and other vessels. Also, LNG carriers would be responsible for adhering to the "rules of the road" for ship traffic. Section 4.3.1.4 describes safety measures to be used.

T002-199

As stated in Section 2.2.2.3, no more than one LNG carrier at a

time would unload at the FSRU.

135

1 MODERATOR GRANT: Thank you. Kurt Odian,
 2 O-d-i-a-n. Liz Lynch. Liz Lynch?
 3 Dick Guttman, G-u-t-t-m-a-n.
 4 MR. GUTTMAN: Thank you. I'm not going to repeat
 5 any of the points that have been made so eloquently, and
 6 passionately, and accurately by all my neighbors this
 7 evening.

8 I would call upon the Committee members to take
 9 into clear cognizance that not one of the people who have
 10 spoken here tonight against the project was paid to do so.

11 I would like you to admit, as you fully well know,
 12 that every person who spoke for it was paid to do so. We
 13 spoke from the heart, they spoke from the wallet. How do
 14 you evaluate that?

15 I'd like you to take into consideration that the
 16 Coast Guard members, that spoke here tonight, they answer to
 17 Donald Rumsfield, he answers to George Bush, George Bush
 18 answers to Exxon and Billiton. These are facts that you
 19 cannot ignore and, nor should you.

20 I'd like to say to the people here, that nobody
 21 has any clear idea of what the mass of what that explosive
 22 will be out there. Dusty asks why it's 14 miles out there?
 23 Well, it's 14 miles out there because that's not the United
 24 States, that's international water. Any suit that you care
 25 to bring against Billiton cannot be brought in a California

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-200

Thank you for the information.

T002-201

The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C. Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results. Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline.

T002-200

T002-202

Section 4.2.5 contains information on liability in case of an accident and reimbursement for local agencies.

T002-201

T002-202

T002-202 Continued

136

1 court, it cannot be brought in the court of the United
2 States.

3 This was clearly the reason that Exxon didn't try
4 to do it. We're not thinking that Exxon isn't greedy enough
5 to try to be the people that put it out there, they
6 certainly have big enough shoulders, they made \$10 billion
7 of profit in one quarter. They didn't do it because they
8 wanted someone there, it's one big club, somebody who
9 couldn't be sued.

10 And you're about to consign, to people, the chance
11 to break laws that cannot be answered to, to a court of law
12 in this country. What kind of democracy, what kind of faith
13 is that in our country. That is treason and I wish you to
14 admit that.

15 Let me give you an idea of what the mass is that's
16 going to be out there. The LNG technology reduces gas to
17 one-six hundredth of what it is.

18 MODERATOR GRANT: Please address the Panel.

19 MR. GUTTMAN: Oh. Well, they know this
20 information. It reduces gas to one-six hundredth of what it
21 is. Let's assume that the normal human being occupies six
22 cubic feet of space. So if we had a hundred Billiton
23 lobbyists sitting here, they'd occupy this area here, that
24 amount of gas would reduce to this size, one cubic foot.

25 In that facility that you propose to permit to go

T002-202
Continued

T002-203

Section 2.2.2.3 describes the storage of natural gas on the FSRU.
Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on
the threat of terrorist attacks.

T002-203

137

1 out there, there will be 10 million such cubic feet. What
2 does that mean, how does that break down, how can we
3 conceive that?

4 Well, let's say there's a 10,000 square foot
5 house, one story, we went with that, that's a big house,
6 that's a mansion. If you made a structure containing all
7 the gas that would be in there, you'd have to build that
8 house 111 miles high, four times as high as Mt. Everest.

9 I mean, if you don't think that that isn't Osama
10 Bin Ladin's wettest dream ever, I mean you'd have to
11 be -- and also, I'd like to challenge everybody here. Why
12 are we allowing these people to call it -- I'm finished?

13 MODERATOR GRANT: Your time, yes.

14 MR. GUTTMAN: Okay, well, thank you for the time.

15 (Applause.)

16 MODERATOR GRANT: Thank you.

17 The next speaker card I have is for Brian Eamer,
18 Brian E-a-m-e-r. Is Mr. Eamer in the house? Yes?

19 MR. EAMER: Yes.

20 MODERATOR GRANT: Okay, thank you. Followed by
21 Ryan Embree.

22 MR. EAMER: Hi, my name is Brian Eamer. I'm a
23 resident of Malibu. I have three kids that I surf with
24 every week at Zuma. I've been living in California all my
25 life, lived in the Palisades up until about three years ago,

T002-203
Continued

138

1 moved up here. Malibu has a pristine beach and we know we
 2 all love it and want to continue to keep it the way it is.
 3 And diesel particulates making their way westbound, in the
 4 prevailing wind, will not only end up on the sand, in the
 5 water that we drink, unfortunately, when we wipe out or when
 6 we put our hands to the mouth, and when we're at the beach.

7 Right now, we have a fairly pristine ocean
 8 compared to other parts of the world. All of those
 9 particulates will come our way and we all know it, even if
 10 there is not a gigantic explosion.

11 A couple of points I want to make. The Revised
 12 Draft Environmental Impact Report Summary Sheet talks about
 13 the offshore facility and the onshore-related facilities and
 14 pipelines in Ventura and Los Angeles Counties.

15 A gentleman spoke about their concerns in Oxnard
 16 and Ventura over the increased truck traffic and the CEQA
 17 studies related to that, that he feels are lacking. I'd
 18 like to understand what the arrangement is with the product
 19 of the Billiton gas making it onshore and how it makes its
 20 way through these proposed pipeline into what they call
 21 Center Road pipeline, and Gonzalez Road pipeline, out to the
 22 Mandalay Bay generating station.

23 It's a long route that they're either going to
 24 have to secure access through existing pipelines, that are
 25 owned by, possibly, the Southern California Gas Company. I

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-204

T002-204

The Project has been modified since issuance of the March 2006 Revised Draft EIR. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures. Section 4.18.4 discusses the Project's potential impacts on water quality. Sections 4.7.4 and 4.8.4 discuss the Project's potential effects on the marine and terrestrial environments.

T002-205

Section 4.17.4 describes the Project's potential impacts on traffic. Section 2.1 provides an overview of the offshore and onshore portions of the Project. Section 2.4 provides a detailed discussion of the onshore pipelines. The Santa Barbara Channel/Mandalay Shore Crossing/Gonzales Road Pipeline Alternative is evaluated as an alternative in the EIS/EIR; it is not the proposed Project as described in Section 2.4.

T002-206

As described in Section 1.0, "Introduction," SoCalGas would receive and distribute the natural gas delivered by the proposed Project. Section 4.13.2.1 contains information on the franchise agreements between municipalities and SoCalGas.

T002-205

T002-206

T002-206 Continued

139

1 understand they say they're neutral on it, but they're the
2 ones that have existing right-of-way arrangements, and
3 pipelines, and they may stand to make money off this.

4 So I encourage you to lobby your elected officials
5 and, eventually, if it is just Schwarzenegger's decision, he
6 needs to know that we do not support increased gas
7 production brought through existing pipelines, or new
8 pipelines that get laid in the streets of Ventura or Los
9 Angeles County.

10 Ultimately, it's a decision of the City Council
11 members to allow those easements and franchise agreements to
12 be enacted and licensed to various pipeline companies, and
13 the pipeline companies sell those rights, and sell them, and
14 profit off of that.

15 They sometimes run fiberoptics through abandoned
16 pipelines because it's more lucrative. Talk to your
17 officials and talk it up.

18 (Applause.)

19 MODERATOR GRANT: Thank you. Ryan Embree,
20 followed by our final speakers for the evening, Jan Fidwell,
21 Susan Jackson, Jefferson Wagner, Natalie Soloway, Jay
22 Liebig, and Steve McLeever.

23 Mr. Embree.

24 MR. EMBREE: Ryan Embree, I've been a resident of
25 Malibu for more than 20 years. I'd like to speak to the 700

T002-206
Continued

T002-207

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-208

Section 1.6 discusses permits, approvals, and regulatory requirements.

T002-207

T002-208

140

1 plus film permits that have been issued by the City of
 2 Malibu over the last year, and how the impact on filming, by
 3 ruining the ocean skyline, this project would cause.

4 The City of Malibu is revenue neutral on film
 5 permits, we don't make money off the permits, we're
 6 prohibited from doing so. But this is an industry that
 7 fuels Southern California and the State of California like
 8 no other.

9 Perhaps Mr. Schwarzenegger will understand this
 10 impact.

11 There is no substitute for waiting hours for a
 12 ship to go across the view screen to break for a shot, while
 13 dozens and dozens of crew members and actors have to wait
 14 for the obstruction.

15 They will come like ants if this project is
 16 approved.

17 With regard to safety, I'm not speaking as a
 18 Public Safety Commissioner for the City of Malibu, which I
 19 am, but I'm not speaking in that capacity. There is no safe
 20 alternative -- I'm sorry, excuse me.

21 There is no safe method to convey this gas. You
 22 talk of that -- the proponents speak of a record. Well,
 23 record so far. There really isn't a second chance.

24 The risk is unacceptable. Any system will fail,
 25 given enough time, and we don't need to be the guinea pig to

T002-209

T002-209

Section 4.4 and Appendix F contain information on visual resources, impacts, and mitigation. Appendix F describes how visibility from various distances was evaluated and provides additional simulations prepared for viewpoints at elevated sites along the Malibu coastline and inland areas. Section 4.3 contains information on marine traffic.

T002-210

Sections 4.2.4, 4.2.7.3, and 4.2.8.2 identify agencies with the authority and responsibility for safety standards, design reviews, and compliance inspections. Section 2.1 and Appendix C3-2 identify applicable safety standards. The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C. Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results. Section 4.2.8 addresses safety issues related to natural gas pipelines. Section 4.2.8.4 contains information on the estimated risk of Project pipeline incidents.

T002-210

T002-210 Continued

141

1 determine what happens.

2 We've seen Three-Mile Island, and we've seen
3 Chernoble, and we've seen Bopal, and we don't need to see,
4 eventually, a Cabrillo.

5 I don't understand what the rush to failure is,
6 but that's exactly where we're headed. I want you to stop
7 this. Thank you.

8 (Applause.)

9 MODERATOR GRANT: Thank you. The next speaker is
10 Jan Kidwell. Jan Kidwell, are you here?

11 Susan Jackson. Susan Jackson, are you here?

12 Jefferson Wagner. Please begin, Mr. Wagner.

13 MR. WAGNER: Good evening. My name is Jefferson
14 Wagner. I'm a former mariner, I've completed 28,000
15 nautical miles in the circumnavigation of the earth, it took
16 two years of my life in the early seventies.

17 I attended the Maritime Academy in Vallejo, and I
18 notice that the proponents have brought a number of well-
19 spoken, highly efficient captains. I don't see any of them
20 here, and this isn't a debate, but I'm going to tell you
21 about my abilities on the sea in relation to this plant
22 proposal that I'm looking at here, near the shipping lanes.

23 When I circumnavigated the earth, I use a Loran, a
24 sextant, and a stethometer. I didn't have the convenience
25 of satellite navigation, drift coefficients with radars, and

T002-210
Continued

T002-211

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-212

Thank you for the information.

T002-211

T002-212

142

1 depth of horizon and coefficients, and engine drift values.
 2 Nowhere, in any of the conversations, has anybody
 3 spoken about the lack of the ability of new mariners, who
 4 constantly depend on these devices, and have lacking
 5 abilities in true seamanship to guide their vessels in the
 6 proximity of such a bomb as I'm looking at here.

7 This is rather alarming to me, having spent a
 8 lifetime on the sea, and currently the manager and operator
 9 of the Malibu Pier, a California State Park, where we will
 10 have two ships operating out of.

11 My knowledge of this area and the weather patterns
 12 completely alarm me putting this plant so close to the
 13 shipping lanes, despite what the other professionals have
 14 told you this evening.

15 I am telling you reality. Thank you.

16 (Applause.)

17 MODERATOR GRANT: Thank you. Natalie Soloway.

18 MS. SOLOWAY: I'm Natalie Soloway, and I'm a
 19 resident, and I'm embarrassed to admit how long, but about
 20 30 years. And I must say that I'm sorry --

21 (Audience comment.)

22 MS. SOLOWAY: That's all right, there's hardly
 23 anybody here. Thank goodness.

24 I just wanted to say that I'm very, very sorry
 25 that all of the people had to leave and go back home on

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-213

Section 4.3.1.5 and Impact MT-3 in Section 4.3.4 discuss vessel crew training requirements.

T002-214

Section 4.1.8.5 discusses meteorology affecting the area of the proposed Project. Section 4.3 contains information on marine traffic, including potential effects to vessels in the Vessel Traffic System.

T002-213

T002-214

143

1 their bus. And I'm only sorry because I wanted to
 2 congratulate this company, this organization, and all that
 3 they've done because they've managed to unit this town once
 4 again. Because Malibu has a history of one thing, if
 5 nothing else, is that we unite in disasters.

6 But usually it's the fires that we've had, or the
 7 floods that we've had, things that have happened to us, or
 8 the earthquake, then we unite.

9 This time we're united about a disaster that's
 10 going to possibly happen and it's in your hands whether it
 11 happens to us or not. And we're depending on you to
 12 understand that we are a community that's united. We're
 13 even united with the Coastal Commission, which is another
 14 miracle in life.

15 You know, I'm looking at Susan Jordan, speaking
 16 brilliantly, and telling exactly how it is.

17 Malibu has fought the Coastal Commission, as you
 18 already know, historically, for such things as view
 19 protection, you know, on the hillsides, and what you're
 20 seeing from PCH and the corridor.

21 Well, I can tell you, what about the view
 22 protection for all of us, the visitors, everyone who comes
 23 to enjoy the beauty of this Southern California site, we're
 24 going to have the beauty of these things out there. I mean,
 25 you've seen it already up in Santa Barbara, and it's so sad.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-215

Thank you for the information.

T002-216

T002-215

Section 4.4 and Appendix F contain information on visual resources, impacts, and mitigation. Appendix F describes how visibility from various distances was evaluated and provides additional simulations prepared for viewpoints at elevated sites along the Malibu coastline and inland areas.

T002-216

T002-216 Continued

144

1 This wonderful vista, it's like a desert, only it's water,
 2 and it's something that's pristine, like the desert's
 3 pristine.

4 But what are we going to have, now? Something
 5 that's human-made, scarring the surface of it.

6 So even though it's aesthetic and you may not
 7 consider that an environmental factor, I have to tell you
 8 that always drive to COSTCO in Oxnard, so I can drive up
 9 that coast and see something beautiful, without something
 10 mechanical, manmade, right out there, I can see something
 11 gorgeous.

12 And so please keep that in mind when you make this
 13 decision. Thank you.

14 (Applause.)

15 MODERATOR GRANT: Thank you. Jay Liebig.

16 MS. SOLOWAY: Oh, I have one more minute. I just
 17 wanted to ask you one more thing. Would you also check
 18 their website and check their safety record? They have it
 19 posted, themselves. Check under their spills, their leaks,
 20 and their vapor clouds. I think you might have some good
 21 information there. Thank you.

22 (Applause.)

23 MODERATOR GRANT: All right, thank you. Jay
 24 Liebig.

25 MR. LIEBIG: Hi, my name is Jay Liebig, I've been

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-216
Continued

T002-217

The Applicant is required to adhere to all applicable Federal, State, and local laws, regulations, and permit requirements in the execution of all phases of the Project. Section 4.2.6 states, "The environmental and occupational safety record for the Applicant's worldwide operations, including, for example, mining ventures overseas, was not considered in evaluating potential public safety concerns associated with this Project because such operations are not directly comparable to the processes in the proposed Project." The conclusions in the EIS/EIR are based on the analyses of potential environmental impacts of the proposed Project and the implementation assumptions stated in Section 4.1.7. However, the Applicant's safety and environmental record will be taken into account by decision-makers when they consider the proposed Project.

T002-217

T002-218

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

145

1 a resident in Malibu for approximately ten years. A lot has
2 been said this evening against this project. Years ago I
3 was a real estate developer and I was trying to do a project
4 in Venice. And I hired a half a dozen consultants, all with
5 different companies. We spent a lot of money. They spent a
6 lot of money. We lobbied a lot of people. It wasn't always
7 obvious what we were doing.

8 The gentlemen who appeared here this evening, to a
9 person, when I asked them if they were being compensated,
10 all denied it.

11 You know, if they want to believe that they were
12 sent here by their companies and there's no direct
13 connection with this BHP operation, so be it.

14 But I truly resent that they're polluting the
15 record for you, and their remarks, these financially derived
16 remarks will have the same weight as the good people of
17 Malibu. You'll read it on paper, it will look the same, it
18 will smell the same on paper, but it isn't the same. The
19 pollution that occurred here, tonight, by these consultants
20 will be nothing like, however, the pollution that's going to
21 occur out there, when their employer gets going.

22 It is up to the people of Malibu to convince the
23 representatives, that we voted for, that this is a project
24 that we will take to the mat. We will not give up, we will
25 go to every court we need to go to, to insure that this

T002-218

146

| T002-218
Continued

1 project does not get built.

2 You know, they say that's when --

3 (Applause.)

4 MR. LIEBIG: When you were five years old, and in
5 kindergarten, you learned everything you ever needed to know
6 in life. It's true, it's true. These are bad guys. I knew
7 it when I was five. They're the same bad guys I met then.
8 I'm nice. Malibu's nice. Malibu is known all around the
9 world. I don't think there's a place on the earth that
10 doesn't know about Malibu. And they know it because it's
11 beautiful. It's a dream.

12 And this project is going to impair and maybe
13 destroy that dream. We're not going to give up. We're
14 going to fight it, and fight it, and fight it.

15 First of all, they did a lousy job on that EIR, a
16 bad one. I mean, technically, it stinks. I've written too
17 many of them to know.

18 MODERATOR GRANT: Your time is up, sir.

19 MR. LIEBIG: Thank you.

20 MODERATOR GRANT: Thank you.

21 Steve McKeever, followed by Alan Sanders.

22 Mr. McKeever, if you could spell your name for the
23 record, please?

24 MR. MC KEEVER: Hi, my name is Steve McKeever, M-
25 c-K-e-e-v-e-r. I've been a full time resident of Malibu for

T002-219

Table 4.2-2 identifies representative hazards and threats considered in the public safety analysis, including leaks from pipelines and damage to the FSRU. Sections 2.3, 2.4, 2.5, and 4.2.8 also address this topic.

147

1 about 11 years, and a part-time for a few years before that,
2 and dreaming about being here probably all my life.

3 (Audience comment.)

4 MR. MC KEEVER: Oh, sorry. But dreaming about
5 being here all my life.

6 I didn't plan to speak here today, I just came to
7 learn and learned a lot, and have really been shocked at
8 this whole process. I think I was a little bit naive in
9 thinking that we were going to hear a fairly one-sided case
10 on how crazy this whole proposal seemed. I was really just
11 in shock of what I think my instincts, you know, screamed
12 out at me about how people were paid here to promote,
13 obviously, a big business venture.

14 It's just ironic to me that this is all here on
15 the day after we found out that the former president of
16 Exxon took a \$400 million retirement package, and people are
17 sitting here touting that this project could save California
18 hundreds of millions of dollars. You're talking about
19 enormous business that has the very possibility of
20 destroying so much about what people love, all around the
21 world, about Malibu.

22 I talked to Barry Grossman, I think, from
23 Calabasas, beforehand, and I just wanted to reiterate two of
24 his points, which I thought were right on, about better safe
25 than sorry, and there's no such thing as a container that

T002-219

T002-219 Continued

148

1 doesn't leak or a pipe that doesn't leak.

2 The risk is just far, far, far too great. I think
3 that, you know, so many people spoke so eloquently about
4 what they love about Malibu, and why we're here, and it's
5 not just about Malibu. The people who live here and who
6 have been fortunate enough and blessed enough to have found
7 their dreams to actually live here, but millions of people
8 dream about Malibu and come to this place. And it's a very,
9 very spiritual place, and a place where when a whale passes
10 by, or this pristine land that connects people to being
11 human again.

12 Anything that takes a scar on that, about what is
13 it to be human and alive, and inspired. They say to be
14 inspired is to be in spirit. Malibu is a place where people
15 from all over the world come here, even if it's just a
16 moment, and get that inspiration and take that on to their
17 daily lives.

18 I think that this project is outrageous and can
19 actually have the possibility of really destroying so much
20 of what's so special about this place. Thank you.

21 (Applause.)

22 MODERATOR GRANT: Thank you. Our final speaker
23 for the evening, Alan Sanders.

24 MR. SANDERS: Good evening. My name's Alan
25 Sanders and I'm here, tonight, representing Sierra Club, Los

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-219
Continued

T002-220

T002-221

T002-220

Thank you for the information.

T002-221

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

149

1 Padres Chapter.

2 Thank you to the Panel for your patience in
3 listening to all the comment tonight, which was quite
4 diverse. And I know I enjoyed it, I hope you did, too.

5 I've already had a short exchange with the Lands
6 Commission about the issue of public notification, which is
7 an issue I'm very troubled with. I got a copy of the EIR
8 late, and I believe the Lands Commission has been diligent
9 in trying to get copies out, but there were some problems
10 there.

11 But beyond that, this is a 2,500-page document,
12 and the amount of time that people are given to trying to
13 comprehend this is really not sufficient. I know that's not
14 your fault but, clearly, there's a conflict between the
15 Deepwater Port Act and the requirements of CEQA and NEPA.

16 Because even groups, like Environmental Defense
17 Center, who made a substantive presentation tonight, are
18 dividing this document up and having people address
19 sections.

20 Has anyone here read all 2,500 pages? If you
21 have, congratulations. Very good. Well, you got a head
22 start.

23 MR. DWIGHT SANDERS: By the way, Alan, I don't
24 know whether you were present when we announced that the
25 public review period would be extended by two weeks and end

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

T002-222

Section 1.5 contains information on the public review and comment opportunities provided by the lead agencies in full conformance with the provisions of the law. Both the CSLC and MARAD/USCG have met or exceeded the public notice requirements for this Project (see Sections 1.5.1 and 1.5.3).

T002-223

A Revised Draft EIR was recirculated under the CEQA in March 2006 for an additional public review period of 60 days. Sections 1.4 and 1.5.3.2 contain additional information on this topic. The distribution list for the document is provided in Appendix A.

T002-222

T002-223

150

1 on May 12th.

2 MR. SANDERS: That's very good and that will help.

3 But I don't really think it's sufficient. And I really

4 believe that people, like myself, I represent an

5 organization, the Sierra Club, I ought to be able to read

6 most of this document. I ought to be able to read the

7 comments that were made by people on the previous document.

8 And the adherence to the bare minimum of what CEQA

9 calls for is really not sufficient in this case because, in

10 essence, we're given the same amount of time as we would get

11 in reading a negative declaration, or a document of that

12 size.

13 In any event, I believe the State Lands Commission

14 should consider a larger extension of the time period for

15 comment, if that's within your purview.

16 The comments made by EDC, I referred to, were very

17 substantive, and I'll try to follow up on those kind of

18 points in writing, when I have an opportunity.

19 MODERATOR GRANT: Your time is up.

20 MR. SANDERS: And good night to you all.

21 MODERATOR GRANT: Thank you.

22 Thank you all for your patience and participating.

23 And does anyone from the Panel have some final, closing

24 remarks?

25 With that, this public meeting --

T002-224

This Final EIS/EIR contains comments and responses to both the October 2004 Draft EIS/EIR and the March 2006 Revised Draft EIR. A Revised Draft EIR was recirculated in March 2006 under the CEQA for an additional public review period of 60 days. Sections 1.4 and 1.5.3.2 contain additional information on this topic. The distribution list for the document is provided in Appendix A.

T002-224

T002-225

The EDC comments on the March 2006 Revised Draft EIR are identified in this document as 2006 Comment Letter G207.

T002-225

151

1 MS. ZANTI: Excuse me, I wasn't called, I believe,
2 and I signed up to be a speaker, so I'd like to just add a
3 couple of comments.

4 MODERATOR GRANT: Okay, I'll allow you to speak,
5 briefly, three minutes, and then we'll take it up with the
6 sign-up sheet outside.

7 MS. ZANTI: Okay, my name is Kim Zanti, I'm a
8 Malibu resident for five years. And I don't have much to
9 add for myself, to the comments that have been made this
10 evening, except to urge the Panel, the State agencies, and
11 our State Legislature to really protect the citizens' rights
12 in California by saying no to this project.

13 I am going to focus my comments, actually, the
14 comments of Craig Hill, who could not be here this morning.
15 Craig, he penned the 92-page analysis that the Coast Guard
16 used to request further inquiry into the original EIR that
17 was submitted by Billiton. He could not be here this
18 evening, but wanted his comments on the public record and
19 will write further comments later on. So these are Craig
20 Hill's comments.

21 "The Draft Review EIS still does not
22 demonstrate project need, as required by
23 law. Instead, it provides a highly
24 selective mishmash of factoids on energy
25 supply and consumption. No case is made

T002-226

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T002-227

Thank you for the information.

T002-228

Sections 1.2.2 and 1.2.3 contain updated information on natural gas needs in the U.S. and California. Forecast information has been obtained from the U.S. Department of Energy's Energy Information Agency and from the California Energy Commission.

T002-226

T002-227

T002-228

T002-228 Continued

152

T002-228
Continued

T002-229

Section 1.2 contains information on the purpose, need, and objectives of the proposed Project, which include diversification of the existing natural gas supply.

1 that this project is actually needed.
2 In any case, Billiton can't make the
3 case for project need because the State
4 Legislature and pertinent agencies are
5 still in the process of figuring out
6 whether imported LNG might be needed and
7 under what circumstances. In this
8 regard, the project application is
9 necessarily premature. It's a cart
10 before the horse. So we don't even
11 really know whether we need any imported
12 LNG, yet Billiton and our State
13 officials want citizens of the State and
14 citizens of Malibu to commit over ten
15 percent of our gas demand to a single,
16 locked-in supplier. Economically, this
17 would be anti-competitive, to the extent
18 that we would become dependent on
19 Billiton's supply and they could charge
20 however much they wanted. In contrast,
21 the existing pipeline system, over land,
22 provides for competition among gas
23 suppliers. Yet, if the Billiton project
24 were approved, FIRC would release
25 pipeline contracts for comparable

T002-229

153

T002-229
Continued

1 amounts of gas and insure that State
2 consumers would always pay the highest
3 price for that ten percent of demand.
4 Relatedly, the latest market watchers
5 indicate that imported LNG will likely
6 remain more expensive than domestic gas
7 for the indefinite future. The noise
8 about increasing demand has come only
9 from the suppliers who would reap
10 profits, but demand has not increased
11 significantly. When prices have spiked,
12 it has been due primarily to the
13 irrational exuberance of speculators.
14 This situation follows the pattern of
15 Enron and other market deregulations in
16 the State, in which only the
17 manipulators have been served. In sort,
18 little evidence for project need is
19 given, whereas Californians' experience
20 provides strong arguments against it."
21 Thank you for hearing me tonight.
22 (Applause.)
23 MODERATOR GRANT: Ms. Zanti, if you could spell
24 your name for the record, please?
25 MS. ZANTI: Z-a-n-t-i.

154

1 MODERATOR GRANT: Thank you. And if you could
2 check with this young woman here, to sign a new card, I'd
3 appreciate it.

4 All right, thank you everyone for coming and for
5 attending tonight's meeting.

6 (Thereupon, the April 18, 2006
7 meeting and public hearing
8 concerning the Cabrillo Port
9 Liquefied Natural Gas Deepwater
10 Port, was adjourned at 10:16 p.m.)

11 --oOo--

12 * * * * *

13

14

15

16

17

18

19

20

21

22

23

24

25

CERTIFICATE OF REPORTER

I, RONALD J. PETERS, a Certified Shorthand
Reporter, do hereby certify:

That I am a disinterested person herein; that the
foregoing U.S. Department of Homeland Security, U.S.
Department of Transportation, and California State Lands
Commission public hearing on the Cabrillo Port Liquefied
Natural Gas Deepwater Port was recorded by my staff,
thereafter transcribed into typewriting, and personally
proofread by me.

I further certify that I am not of counsel or
attorney for any of the parties in this matter, nor in any
way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand
this 28th day of April, 2006.

Ronald J. Peters

Certified Shorthand Reporter

License Number 2780

Certified Manager of Reporting Services

Registered Professional Reporter

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345